

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

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Placement Memorandum - NCD

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Placement Memorandum for Issue of Debentures on a Private Placement Basis

Date: March 17 2023

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

No: \_\_\_\_\_  
Addressed to: \_\_\_\_\_

(THIS PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2021/39 DATED AUGUST 09, 2021, AS AMENDED FROM TIME TO TIME, THE OPERATIONAL CIRCULAR ISSUED BY SECURITIES EXCHANGE BOARD OF INDIA VIDE CIRCULAR NUMBER SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021, AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.)

THIS ISSUE OF DEBENTURES DOES NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF THE SEBI NCS REGULATIONS.

#### PLACEMENT MEMORANDUM



#### IKF FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

**Date of Incorporation:** May 30, 1991; **Place of Incorporation:** The Company was incorporated in Vijayawada

**CIN:** U65992AP1991PLC012736 **Permanent account number (PAN):** AAACI4784J

**Registration Number No. with RBI:** B-09.00172

**Registered Office:** 40-1-144, 3rd Floor, Corporate Centre, M.G. Road, Vijayawada - 520010

**Corporate Office:** Plot Nos: 30/A, Survey No: 83/1, 11th Floor, Myhome Twitza, APIIC Hyderabad Knowledge City, Raidurg (Panmaqtha) Village, Serilingampally Mandal, Rangareddy District, Hyderabad- 500081, Telanagana

**Contact Person:** Ch Sreenivasa Rao; **E-mail:** [sreenivas@ikffinance.com](mailto:sreenivas@ikffinance.com)

**Telephone No.:** 0866-2474644 | **Website:** <https://www.ikffinance.com/>

**Compliance Officer:** Ch Sreenivasa Rao | **Email:** [sreenivas@ikffinance.com](mailto:sreenivas@ikffinance.com) |

**Telephone No.:** 0866-2474644

**Company Secretary of the Issuer:** Ch Sreenivasa Rao | **Telephone:** 0866-2474644 |

**E-mail:** [sreenivas@ikffinance.com](mailto:sreenivas@ikffinance.com)

**Chief Financial Officer of the Issuer:** Sreepal Gulabchand Jain | **Telephone:** 040-23411181 |

**E-mail:** [sreepal@ikffinance.com](mailto:sreepal@ikffinance.com)

#### Promoters of the Issuer:

| Promoter(s):                                                                                                                                                  |                                                                                                                                  |                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Vupputuri Gopala Kishan Prasad<br>Telephone Number: 0866-2474644<br>Email address: <a href="mailto:prasadvgk@ikffinance.com">prasadvgk@ikffinance.com</a> | Vupputuri Indira Devi<br>Telephone Number: 0866-2474644<br>address: <a href="mailto:prasadvgk@yahoo.com">prasadvgk@yahoo.com</a> | Koganti Vasumathi Devi<br>Telephone Number: 040-23412081<br>address: <a href="mailto:vasumathi@ikffinance.com">vasumathi@ikffinance.com</a> |

**Type of Placement Memorandum:** Private Placement

**Dated:** March 17, 2023

**ISSUE OF UP TO 7000 (SEVEN THOUSAND) UNSECURED, RATED, LISTED, REDEEMABLE, UNSUBORDINATED, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, AGGREGATING UP TO RS. 70,00,00,000/- (RUPEES SEVENTY CRORES ONLY) ("DEBENTURES" OR "NCDS") COMPRISING OF BASE ISSUE OF INR 20,00,000 (INDIAN RUPEES TWENTY CRORES ONLY) AND GREEN SHOE OPTION OF INR 50,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ("GREEN SHOE OPTION") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").**

### Background

This Placement Memorandum is related to the Debentures to be issued by IKF Finance Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures described under this Placement Memorandum has been authorised by the Issuer through a resolution passed by the shareholders of the Issuer on September 30, 2022 pursuant to Section 42 of the Act read with applicable rules of the Act, a resolution passed by the shareholders of the Issuer on September 30, 2022 pursuant to Section 180(1)(c) of the Act and the resolution passed by the Board of Directors of the Issuer on September 30, 2022 read with the resolution passed by the Management Committee of the Board of Directors of the Issuer on March 17, 2023, in accordance with the provisions of the Act and the Memorandum and Articles of Association of the Company. The present issue of NCDs in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

### General Risks

Investment in non-convertible securities involve a degree of risk and Investors should not invest any funds in such securities, unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities. The Debentures have not been recommended or approved by Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis (“**Placement Memorandum**” or “**Information Memorandum**”). This Placement Memorandum has not been submitted, cleared or approved by SEBI.

### Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, and that the information contained in this Placement Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

### Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited (“**Rating Agency**”). The Rating Agency has, vide its letter dated March 16, 2023 assigned a rating of “CARE A; Stable” (pronounced as “CARE Single A; Outlook: Stable”) in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Placement Memorandum for the letter and the rating rationale dated March 16, 2023 from the Rating Agency assigning the credit rating abovementioned and the press release dated March 17, 2023 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debentures is valid on the date of Issue and shall be on the date of listing of Debentures.

### Issue Schedule

|                                            |                |
|--------------------------------------------|----------------|
| <b>Issue Opens on/ Issue Opening Date</b>  | March 24, 2023 |
| <b>Issue Closes on/ Issue Closing Date</b> | March 24, 2023 |
| <b>Pay-In Date</b>                         | March 27, 2023 |
| <b>Deemed Date of Allotment</b>            | March 27, 2023 |
| <b>Date of Earliest Closing</b>            | March 24, 2023 |

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

### LISTING

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited (“**BSE**”). Please refer to Annexure X of this Placement Memorandum for a copy of the in-principle approval letter dated March [•], 2023 issued by BSE.

### ELIGIBLE INVESTORS

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“**Eligible Investors**”): (a) Banks; (b) Financial Institutions; (c) Insurance Companies; (d) Mutual Funds; (e) Non-banking financial companies; (f) Corporate investors; (g) Alternate Investment funds; (h) Foreign Institutional Investors; and (i) Any other investor eligible to invest in these Debentures. All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Further, participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

### BRIEF DETAILS ABOUT THE ISSUE

Details such as coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount and such other information pertaining to the Issue are more particularly set out under paragraph 5.29 of this Placement Memorandum. The Issuer further confirms that no underwriting is proposed to be undertaken in relation to the Issue. The Issue of Debentures shall be made through the electronic book

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mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines and the Eligible Investors may place bids on the electronic book platform during the Issue period for subscribing to the Debentures (the details of the process are more particularly set out in SECTION 9: herein). The details of the Issue shall be entered on the electronic book platform by the Issuer at least 2 (Two) Business Days prior to the Issue Opening Date, in accordance with the SEBI Electronic Book Mechanism Guidelines.

| Registrar and Transfer Agent                                                                                                                                                                                                                                                                                                                    | Debenture Trustee                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Bigshare Services Private Limited</b></p>  <p>E-2, Ansa Industrial Estate,<br/>Saki Vihar Road, Saki Naka,<br/>Andheri (East),<br/>Mumbai 400 072<br/>Tel: +022 2847 0652<br/>Email: mohan@bigshareonline.com<br/>Contact Person: Mr. N. V. K. Mohan</p> |  <p><b>VARDHMAN TRUSTEESHIP PRIVATE LIMITED</b>, 3RD FLOOR,<br/>ROOM NO - 15 6, LYONS RANGE, TURNER MORRISON<br/>HOUSE KOLKATA WB 700001 IN</p>                                                                                                                                                                                                  |
| Credit Rating Agency                                                                                                                                                                                                                                                                                                                            | Issuer                                                                                                                                                                                                                                                                                                                                                                                                                             |
|  <p>CARE Ratings Limited<br/>Address: 4th Floor, Godrej Coliseum, Somaiya<br/>Hospital Road, Off Eastern Express Highway, Sion<br/>(East), Mumbai - 400 022<br/>Tel: +91-22- 6754 3456<br/>Email: care@careratings.com<br/>Contact Person: Mr. Ravi</p>      |  <p>IKF Finance Limited<br/>Address: 40-1-144, Corporate Centre, M.G.Road,<br/>Vijayawada-520010<br/>Andhra Pradesh<br/>Tel: 0866-2474644<br/>Website: <a href="http://www.ikffinance.com">www.ikffinance.com</a><br/>Email: <a href="mailto:sreenivas@ikffinance.com">sreenivas@ikffinance.com</a><br/>Contact Person: Ch. Sreenivasa Rao</p> |
| Chief financial officer of the Issuer                                                                                                                                                                                                                                                                                                           | Company secretary / Compliance officer of the Issuer                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Ch Sreenivasa Rao<br/>Address: 40-1-144, Corporate Centre, M.G.Road,<br/>Vijayawada-520010<br/>Andhra Pradesh<br/>Tel: 0866-2474644<br/>Email: <a href="mailto:sreenivas@ikffinance.com">sreenivas@ikffinance.com</a></p>                                 | <p>Ch Sreenivasa Rao<br/>Address: 40-1-144, Corporate Centre, M.G.Road,<br/>Vijayawada-520010<br/>Andhra Pradesh<br/>Tel: 0866-2474644<br/>Email: <a href="mailto:sreenivas@ikffinance.com">sreenivas@ikffinance.com</a></p>                                                                                                                                                                                                       |
| Statutory Auditor(s) of the Issuer                                                                                                                                                                                                                                                                                                              | Legal Counsel                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>SGCO &amp; Co.LLP</b><br/>Chartered Accountants<br/>M/s. SGCO &amp; Co., L.L.P.,</p>                                                                                                                                                                                                                                                      |  <p>Verist Law</p>                                                                                                                                                                                                                                                                                                                             |

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| Chartered Accountants<br>4A, Kaledonia, 2nd Floor, Sahar Road<br>Near Andheri Station, Andheri(East)<br>Mumbai- 400 069<br>Website: www.sgco.co.in<br>Email: ammit.vira@sgco.co.in<br>Contact Person: +91 22 6625 6363 | The Empire Business Centre, 414 Senapati Bapat Marg,<br>Lower Parel, Mumbai 400013<br>Website: www.veristlaw.com<br>Telephone: +91 2266 907 368<br>Email: srishti.ojha@veristlaw.com |
| <b>Guarantor, if applicable</b>                                                                                                                                                                                        | <b>Arranger, if any</b>                                                                                                                                                              |
| Mr. V G K Prasad & Mrs Indira Devi<br>59A-16-4/8, 3rd Road, RTC Colony, Vijayawada,<br>Andhra Pradesh<br>Email: prasadvgk@ikffinance.com<br>Contact Person: +91 9848117799                                             | NA                                                                                                                                                                                   |

#### DETAILS OF PROMOTERS OF THE ISSUER COMPANY

| S.no | Details of Promoter Management                              | Description                                                                                        |                                                                                      |                                                                                                   |
|------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 1.   | Name of promoter                                            | Mr. VGK Prasad                                                                                     | Mrs. V.Indira Devi                                                                   | Mrs. K.Vasumathi Devi                                                                             |
| 2.   | Date of Birth                                               | 02.09.1947                                                                                         | 01.12.1959                                                                           | 09.05.1975                                                                                        |
| 3.   | Age                                                         | 75 Years                                                                                           | 63 Years                                                                             | 47 years                                                                                          |
| 4.   | Personal Addresses                                          | 59A-16-4/8, 3rd Road, RTC Colony, Vijayawada, Andhra Pradesh                                       | 59A-16-4/8, 3rd Road, RTC Colony, Vijayawada, Andhra Pradesh                         | Villa 18, Aditya Port View, Puppalaguda, Near Prathibha High School, Hyderabad, 500089            |
| 5.   | Education Qualifications                                    | B.Sc.,                                                                                             | Under Graduate                                                                       | BE (Electronics & Communications)<br>MBA (Global Management, USA)                                 |
| 6.   | Experience in the business or employment                    | Management & Administration more than three decades                                                | Management & Administration more than three decades                                  | Associated with IKF Finance Limited as Executive Director since 2007                              |
| 7.   | positions/posts held in the past by the promoter management | Managing Director since incorporation                                                              | Director of the Company since incorporation                                          | Having nine (9) years of working experience in IT and Telecommunications in several US Companies. |
| 8.   | directorships held by the promoter management               | Director of IKF Home Finance Limited<br>Director of IKF Infratech Private Limited                  | Director of IKF Infratech Private Limited                                            | Director of IKF Home Finance Limited                                                              |
| 9.   | Other ventures of the promoter management                   | IKF Home Finance Limited<br>IKF Infratech Private Limited                                          | IKF Infratech Private Limited                                                        | IKF Home Finance Limited                                                                          |
| 10.  | Special achievements                                        | Mr. Prasad has contributed a lot in institutionalizing the Automobile finance business operated by | Mrs. V Indira Devi, being one of the Core Promoter of the Company, has been into the | She joined the Company in 2006 and has gained expertise in Business Development,                  |

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|-----|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|     |                                                              | individuals in Andhra Pradesh. Mr. Prasad 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. Mr. Prasad 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. | Vehicle finance space for over the last three and half decades and has been instrumental in the growth of the Company since its inception. | Operations management, Credit & Risk etc. over the last 12 years.                     |
| 11. | Business and financial activities of the promoter management | Management & Administration                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management & Administration                                                                                                                | Finance & Operations                                                                  |
| 12. | Photograph                                                   |                                                                                                                                                                                                                                                                                                                                                                                          |                                                        |  |
| 13. | Permanent Accountant Number                                  | ACKPV7061N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ABXPV8272D                                                                                                                                 | AXEPK4252F                                                                            |
| 14. | Aadhaar Number                                               | 777797795738                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 481530364515                                                                                                                               | 449365750279                                                                          |
| 15. | Driving License Number                                       | DLRAP01600052212019                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                        | DLFAP016482182008                                                                     |
| 16. | Bank Account Number(s)                                       | <u>11520100098809</u><br><u>The Federal bank Ltd</u>                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>11520100101074</u><br><u>The Federal bank Ltd</u>                                                                                       | <u>3101307186</u><br><u>Central Bank Of India</u>                                     |
| 17. | Passport Number(s)                                           | G 7533934                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | G 8169837                                                                                                                                  | 212258301                                                                             |

**Declaration:** The Company/ Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Numbers of the Promoter and Permanent Account Number of directors have been submitted to the stock exchanges on which the Debentures are proposed to be listed, at the time of filing of the Placement Memorandum.

#### ISSUE HIGHLIGHTS

|                       |                                                                                                                                                                                                                                                                                                                                    |                        |                                        |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------|
| <b>Coupon Rate</b>    | The coupon on the Debentures is Fixed rate of interest, which shall be payable at such frequency as set out below against the heading 'Coupon Payment Frequency' and on such dates as set out below against the heading 'Coupon Payment Dates', the applicable Coupon 10.60% (Ten Decimal Point Six Zero Percent) p.a. ("Coupon"). |                        |                                        |
| <b>Coupon Payment</b> | <b>Redemption Instalments</b>                                                                                                                                                                                                                                                                                                      | <b>Redemption Date</b> | <b>Interest per Debenture (in INR)</b> |

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|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |                                              |  |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------|--|
| Frequency                     | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 June 2023      | 2,672                                        |  |
|                               | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 September 2023 | 2,338                                        |  |
|                               | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 December 2023  | 1,982                                        |  |
|                               | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 March 2024     | 1,652                                        |  |
|                               | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 June 2024      | 1,336                                        |  |
|                               | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 September 2024 | 1,002                                        |  |
|                               | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 December 2024  | 661                                          |  |
|                               | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 March 2025     | 327                                          |  |
| Redemption Date               | March 27, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                                              |  |
| Redemption Amount             | Redemption Instalments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Redemption Date   | Amount to be redeemed per Debenture (in INR) |  |
|                               | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 June 2023      | 12,500                                       |  |
|                               | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 September 2023 | 12,500                                       |  |
|                               | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 December 2023  | 12,500                                       |  |
|                               | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 March 2024     | 12,500                                       |  |
|                               | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 June 2024      | 12,500                                       |  |
|                               | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 September 2024 | 12,500                                       |  |
|                               | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 December 2024  | 12,500                                       |  |
|                               | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 27 March 2025     | 12,500                                       |  |
| Details of Debenture Trustee  | Vardhman Trusteeship Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                                              |  |
|                               | <p>Please refer to <b>Annexure III</b> of this Placement Memorandum for the consent letter dated March 04, 2023 bearing reference number CL/MUM/22-23/DEB/167 issued by Vardhman Trusteeship Private Limited granting its consent to act as debenture trustee in relation to the Issue of Debentures being made by the Issuer in terms of this Placement Memorandum.</p> <p>Further, a debenture trustee appointment agreement dated has been/ shall be executed by and between the Issuer and the Debenture Trustee, whereby the Debenture Trustee has been appointed as the debenture trustee in respect of the debentures issued/ to be issued in within the limit as set out in the Debenture Trust Deed and to act for and on behalf of and for the benefit of the holders of such debentures. Please refer to Section 8 of this Placement Memorandum for key terms of the said debenture trustee appointment agreement.</p> |                   |                                              |  |
| Nature, Number and Issue Size | Upto 7000 (Seven thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating upto Rs. 70,00,00,000/- (Rupees Seventy Crores only) to be issued on private placement basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                                              |  |
| Base Issue                    | Upto 2000 (Two Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating upto Rs.20,00,00,000/- (Rupees Twenty Crores only) to be issued on private placement basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |                                              |  |
| Green Shoe Option             | Up to 5000 (Five Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating upto Rs.50,00,00,000/- (Rupees Fifty Crores only) to be issued on private placement basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                                              |  |
| Aggregate Size                | Up to 7000 (Seven thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh Only) aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) to be issued on private placement basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                                              |  |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable. | This Issue, offer and subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI and BSE under the EBP Guidelines (as defined below) by placing bids on the EBP Platform during the period of the Issue. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines (as defined below) are set out hereinbelow: |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                     | Details of size of the Issue including green shoe option, if any                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Total Issue size of Issue: Indian Rupees 70,00,00,000 (Indian Rupees Seventy Crores Only) comprising of:</p> <p>Base issue: 2000 (Two Thousand) of face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating up to Rs.20,00,00,000/- (Rupees Twenty Crores only)</p> <p>Green Shoe Option: 5000 (Five Thousand) of face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating up to Rs.50,00,00,000/- (Rupees Fifty Crores only)</p> |
|                                                                                                                                                                                                     | Bid opening and closing date                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Bid opening date: March 24, 2023; and<br>Bid closing date: March 24, 2023                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                     | Minimum Bid lot                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                     | Manner of bidding in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                          | on an anonymous order driven system                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                     | Manner of allotment in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                     | Manner of settlement in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Pay-in of funds through ICCL and the account details are given in the Section 9 (Issue Procedure) of this Placement Memorandum                                                                                                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                     | Settlement cycle                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | T+1 (Settlement of the Issue will be on March 27, 2023).; where T refers to the date of bid opening date / issue opening date/bidding date                                                                                                                                                                                                                                                                                                                 |
| Details about Underwriting of the Issue including the Amount Undertaken to be Underwritten by the Underwriters.                                                                                     | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Specific declaration                                                                                                                                                                                | This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI NCS Regulations.                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

**requested  
by BSE: non-  
equity  
regulatory  
capital**

#### **UNDERTAKING BY THE ISSUER**

- A. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under SECTION 3: of this Placement Memorandum.
- B. The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in this Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- C. The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allot/Allotment/Allotted      | Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Applicable Law                | Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any governmental authority and any modifications or re-enactments thereof.                                                                                                                                                                                                                                                                                                       |
| Application Form              | The form used by the recipient of this Placement Memorandum to apply for subscription to the Debentures, which is annexed to this Placement Memorandum and marked as <b>Annexure IV</b> .                                                                                                                                                                                                                                                                                                                                                                                                         |
| Board/Board of Directors      | The Board of Directors of the Issuer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Business Day                  | Any day of the week (excluding Saturday, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which the banks and money market is functioning and open for business in Mumbai and Hyderabad, India and " <b>Business Days</b> " shall be construed accordingly.                                                                                                                                                                                                                                           |
| Capital Adequacy Ratio        | Shall mean and refer to the capital adequacy ratio as applicable to non-banking financial institutions in accordance with the regulations, guidelines, directions issued by RBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                 |
| CDSL                          | Central Depository Services (India) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Debentures / NCDs             | Issue of up to 7000 (seven thousand) unsecured, rated, listed, redeemable, unsubordinated, non-convertible debentures of face value of Rs. 1,00,000/- (rupees one lakh only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) comprising of base issue of INR 20,00,000 (Indian Rupees Twenty Crores only) and green shoe option of INR 50,00,000 (Indian rupees fifty crores only) (" <b>Green Shoe Option</b> ") on a private placement basis (the " <b>Issue</b> ").                                                                                                    |
| Debenture Holders / Investors | Shall mean initially the persons who subscribe to the Debentures and thereafter mean each of their transferees and assignment, each of whom fulfils the following requirements:<br>(i) Persons who are registered as such as the Beneficial Owner(s); and<br>(ii) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s);<br>(and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (i) and (ii) above, sub paragraph (i) shall prevail |
| Debenture Trustee             | Vardhman Trusteeship Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Debenture Trustee Agreement   | Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.                                                                                                                                                                                                                                                                                                                                                                    |
| Debenture Trust Deed          | Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the                                                                                                                                                                                                                                                                                                                     |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                            |                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | covenants to be provided by the Issuer.                                                                                                                                                                                                                                                                                   |
| Deemed Date of Allotment                   | March 27, 2023                                                                                                                                                                                                                                                                                                            |
| Demat                                      | Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.                                                                                                                                                                 |
| Depositories Act                           | The Depositories Act, 1996, as amended from time to time.                                                                                                                                                                                                                                                                 |
| Depository                                 | A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.                                                                                                                                                                                          |
| Depository Participant / DP                | A depository participant as defined under the Depositories Act                                                                                                                                                                                                                                                            |
| Director(s)                                | Director(s) of the Issuer.                                                                                                                                                                                                                                                                                                |
| Disclosure Document / Placement Memorandum | This document which sets out the information regarding the Debentures being issued on a private placement basis.                                                                                                                                                                                                          |
| DP ID                                      | Depository Participant Identification Number.                                                                                                                                                                                                                                                                             |
| Due Date                                   | Any date on which the holders of the Debentures are entitled to any payments, whether for redemption on maturity or towards Coupon.                                                                                                                                                                                       |
| <b>EBP Platform</b>                        | The meaning given to it under the EBP Requirements.                                                                                                                                                                                                                                                                       |
| <b>EBP Requirements</b>                    | means the requirements with respect to electronic book mechanism prescribed in Chapter VI (Electronic Book Provider platform) of the Listed NCDs Operational Circular and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time. |
| EFT                                        | Electronic Fund Transfer                                                                                                                                                                                                                                                                                                  |
| Financial Year/ FY                         | Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.                                                                                                                                                                                        |
| GAAP                                       | Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.                                                                                                                                                          |
| GNPA                                       | Shall mean the gross non-performing assets of the Company computed in the manner prescribed by RBI                                                                                                                                                                                                                        |
| IND AS                                     | shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time, and applied on a consistent basis                                                |
| Issue                                      | Private Placement of the Debentures.                                                                                                                                                                                                                                                                                      |
| Issue Closing Date                         | March 24, 2023                                                                                                                                                                                                                                                                                                            |
| Issue Opening Date                         | March 24, 2023                                                                                                                                                                                                                                                                                                            |
| Issuer/ Company                            | IKF Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 40-1-144, 3rd Floor, Corporate Centre, M.G. Road, Vijayawada - 520010.                                                                                                                       |
| Majority Debenture Holders                 | Shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding;                                                                                                                        |
| Material Adverse Effect                    | An occurrence, development or effect which individually or in aggregate that is, or is likely to be, in the opinion of the Debenture Holder(s):<br>(i) adverse to the ability of the Company to perform any of their                                                                                                      |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | <p>financial obligations under the Transaction Documents in accordance with their respective terms; or</p> <p>(ii) having an impact on the business, property, operation, prospects or condition (financial or otherwise) of the Company that is likely to adversely affect their obligations under the Transaction Documents; or</p> <p>(iii) adverse to the legality, validity or enforceability of any of the Transaction Documents (including the ability of Debenture Trustee/Debenture Holders to enforce any of its remedies under the Transaction Documents) or clearances / authorisations.</p> |
| Maturity Date                                  | March 27, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| N.A.                                           | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Net Worth                                      | Shall mean the 'net-owned funds' calculated in the manner prescribed by RBI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| NNPA                                           | Shall mean the net non-performing assets of the Company computed in the manner prescribed by RBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| NSDL                                           | National Securities Depository Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Operational Circular                           | Operational Circular issued by the Securities Exchange Board of India, dated August 10, 2021 and bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as may be amended from time to time                                                                                                                                                                                                                                                                                                                                                                                                               |
| PAN                                            | Permanent Account Number.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Private Placement Offer cum Application Letter | Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as set out in SECTION 7: of this Placement Memorandum.                                                                                                                                                                                                                                                                                                                                                                        |
| Promoter                                       | Please refer to Cover Page of this Placement Memorandum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Rating Agency                                  | CARE Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| RBI                                            | Reserve Bank of India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Record Date                                    | The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.                                                                                                                                                                                                                                                                                                                                                                                    |
| Reference Rate                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Register of Debenture Holders                  | The register maintained by the Company containing the name(s) of Debenture Holder(s) in the form and manner as prescribed under the Companies (Management and Administration Rules), 2014, which shall be maintained at the registered office of the Company.                                                                                                                                                                                                                                                                                                                                            |
| R&T Agent                                      | Registrar and Transfer Agent to the Issue, in this case Bigshare Services Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Rs. / INR                                      | Indian Rupee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| RTGS                                           | Real Time Gross Settlement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SEBI                                           | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SEBI Electronic Book Mechanism Guidelines      | The guidelines issued by SEBI and pertaining to the Electronic Book Mechanism set out in the terms specified by SEBI in Chapter VI (Electronic Book Provider platform) of the Operational Circular and the                                                                                                                                                                                                                                                                                                                                                                                               |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                            |                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            | related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time.                                                                                                                                                                                                           |
| <b>SEBI Defaults (Procedure) Circular</b>  | means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities" issued by SEBI.                                                                                                                   |
| <b>SEBI Due Diligence Circular</b>         | means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)".                                                                                                                               |
| <b>SEBI Listing Timelines Requirements</b> | means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the Operational Circular.                                                                             |
| <b>SEBI REF Circular</b>                   | means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" issued by SEBI                                                                                                                            |
| <b>SEBI LODR Regulations</b>               | means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.                                                                                                                                                                                                                                 |
| SEBI Debt Listing Regulations              | The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as may be amended from time to time.                                                                                                                                                                                                  |
| TDS                                        | Tax Deducted at Source.                                                                                                                                                                                                                                                                                                                               |
| The Companies Act/ the Act                 | Shall mean the provisions of the Companies Act, 2013, or where applicable the notified provisions of the Companies Act, 1956 in force, as may be amended from time to time;                                                                                                                                                                           |
| Terms & Conditions                         | Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents                                                                                                                                                                                                                                                  |
| Total Debt                                 | Shall mean the total Financial Indebtedness of the Company                                                                                                                                                                                                                                                                                            |
| Transaction Documents                      | Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in SECTION 8: and shall include the Placement Memorandum, the Debenture Trustee Agreement, the Debenture Trust Deed, and any other document that may be designated by the Debenture Trustee as a Transaction Document. |

## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

### ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the wholesale debt market segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general. As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum/ Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

**This Placement Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

No invitation is being made to any person other than those to whom Application Forms along with this Placement Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. The Placement Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential.

#### **DISCLAIMER BY THE TRUSTEE**

The Issuer confirms that all necessary disclosures have been made in the Placement Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Trustees, ipso facto do not have the obligations of a borrower or a principal debtor or as to the monies paid/invested by investors for the Debentures.

#### **DISCLAIMER CLAUSE OF STOCK EXCHANGES**

As required, a copy of this Placement Memorandum has been filed with BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Placement Memorandum to BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on BSE; nor does BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

#### **DISCLAIMER CLAUSE OF SEBI**

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non exclusive jurisdiction of the courts and tribunals at Mumbai, Maharashtra or Hyderabad, Telangana. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

#### **DISCLAIMER IN RESPECT OF RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

#### **DISCLAIMER IN RESPECT OF RBI**

The Company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

#### **ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents, in accordance with the SEBI Electronic Book Mechanism Guidelines.

### **SECTION 3: RISK FACTORS**

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

#### **REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

#### **THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

#### **CREDIT RISK & RATING DOWNGRADE RISK**

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

#### **TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

#### **ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

#### **MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

#### **LEGALITY OF PURCHASE**

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it

operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

## **POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

## **RISKS RELATED TO THE BUSINESS OF THE ISSUER**

### **1. Non-Performing Assets (NPA)**

The Company makes provisions for NPAs in accordance with the provisions prescribed by the RBI. The Company believes that its overall financial profile and capitalization levels provide significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs may adversely affect the Company's business, financial results and/or operations.

### **2. Interest Rate Risk.**

The Company's interest income from lending is dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

### **3. Access to Capital Market and Commercial Borrowings**

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth and financial performance will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings.

### **4. Operational and System Risk**

The Company is faced with operational and system risks, which may arise because of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, the Company also faces security risk in terms of system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of the Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

**5. Any inability of the company to attract or retain talented professionals may impact its business operations**

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose business opportunities and its business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

**6. Employee Misconduct**

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

**7. Downgrading in credit rating**

CARE Ratings Limited has assigned CARE A; Stable rating to the Debentures of the Issuer. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

**8. Debenture Redemption Reserve**

NBFCs registered with RBI are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

**9. Action upon default**

The Debentures are proposed to be unsecured. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may take action as per the terms of Debenture Trust Deed.

**10. Tax and other Considerations**

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

**11. The Debentures may be illiquid**

The Company intends to list the Debentures on the WDM segment of BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

**12. Future legal and regulatory obstructions**

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator and any regulatory action, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations. Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this Offer Document, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

**13. *A slowdown in economic growth in India***

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

**RISKS RELATING TO THE DEBENTURES**

**1. *NCDs that are listed or quoted or admitted to trading may not lead to greater liquidity***

It is not possible to predict if and to what extent a secondary market may develop in the NCDs or at what price the NCDs will trade in the secondary market or whether such market will be liquid or illiquid. If so specified in this Shelf Placement Memorandum, application has been made to list or quote or admit to trading the Debentures on the stock exchange or quotation system(s) specified. If the Debentures are so listed or quoted or admitted to trading, no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The listing of the Debentures is subject to receipt of the final listing and trading approval from the Stock Exchange.

The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

**2. *Changes in government policies and laws in India may adversely affect the Debentures***

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to the SEBI or the RBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on market for and the price of the Debentures.

**3. *Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally***

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there was to be any slowdown in the economic policies, or a reversal of steps already taken, it could have an adverse effect on the debt market which as such is exposed to the risks of the Indian regulatory and policy regime.

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

**4. *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

**5. *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

**REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD**

BSE had refused to list the non-convertible debentures aggregating to Rs 50 Crores, issued to Bank of India, on June 19, 2020, citing (i) that the Audited Financial or Unaudited financial statements were more than 6 months old from the date of private placements; and (ii) delay in filing listing application.

**LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES;**

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on the stock exchanges.

**IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE**

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer.

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

#### **SECTION 4: FINANCIAL STATEMENTS**

The audited financial statements of the Issuer for the financial year ended March 31, 2022 are set out in **Annexure V (Part A)** hereto.

## SECTION 5: REGULATORY DISCLOSURES

### Part A: Disclosures under the SEBI Debt Listing Regulations

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

#### 5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting, under Section 42 of the Companies Act, held on September 30, 2022 authorizing the issue/offer of non-convertible debentures by the Company for an amount aggregating upto Rs. 2,000 Crores;
- E. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting, under Section 180(1)(c) of the Companies Act, held on September 30, 2022 authorizing the Board of Directors to borrow monies for an aggregate amount not exceeding Rs. 5,000 Crores;
- F. Copy of the Board Resolution dated July 21, 2021 authorizing the Management Committee of the Board of Directors to deal with issuance of non-convertible debentures within the overall limit of Rs. 2,000 Crores;
- G. Certified true copy of the resolution of the Management Committee of the Board of Directors of the Company dated March 17, 2023, authorising the issue of Debentures by the Company and *inter alia* approving the terms of the Debentures;
- H. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

#### 5.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

#### 5.3 Issue Schedule

| Particulars        | Date           |
|--------------------|----------------|
| Issue Opening Date | March 24, 2023 |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Particulars              | Date                  |
|--------------------------|-----------------------|
| Issue Closing Date       | March 24, 2023        |
| Pay In Date              | March 27, 2023        |
| Deemed Date of Allotment | <b>March 27, 2023</b> |

**5.4 A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business:**

**A. Overview**

IKF Finance Ltd. (IKF) is registered with the RBI as a Non-Deposit Accepting Non-Banking Finance Company. It is classified as an asset financing company with a focus on vehicles financing. It was incorporated in 1991 as Indra Keela Financiers Private Limited and was converted into a Public Limited Company in 1994 when the name was changed to IKF Finance & Investments Limited. The Company went for a public issue in 1995, a Rights Issue in 1998 and a Preferential Issue in 2003, 2007, 2011, 2015, 2018, 2022 & 2023. The Equity shares of the Company have been delisted from the Bombay Stock Exchange where the shares were listed w.e.f., February 18, 2015.

**MAIN OBJECTS AND BUSINESS OF THE ISSUER**

IKF is promoted with a primary purpose of catering to the funding needs of Transport Operators and has expanded its portfolio by funding to Cars & MUVs, Construction Equipments, Tractors, Three & Two Wheelers and Secured MSME Loans.

IKF Finance have strategically built product portfolio from offering financing solutions for commercial vehicles to including loans for SMEs. Further expanded into the home loans segment to fulfill the housing aspirations of millions of customers through subsidiary IKF Home Finance. IKF Home Finance was started as an independent establishment in FY 2015-16 to offer housing loans to the low and middle-income sections. IKF Finance acquired the company in FY 2018-19.

The Company has an extensive distribution network in over 118 locations spread across 9 states has built a loan book size of approx. Rs 2183 Cr as on 31st Dec 2022 with a solid presence in Southern India and entrenching presence in Western and Central India and actively leverage technology to enhance operational efficiencies, drive customer satisfaction, and achieve superior asset quality. They are led by a dynamic and outstanding management team constantly striving to achieve unparalleled progress.

The Company has now been setting up the building blocks of a massive transformation and sustainable growth. They are actively leveraging advanced technology for driving customer-friendly experience, launching customized products, enabling risk management, creating an agile and scalable business, and expanding further into underserved markets.

SARFAESI law to recover dues is applicable to the company for above Rs. 20 Lakhs Loans. This will facilitate NBFCs like IKFFL for quick recovery of dues and enable them to lend more.

**Brief note on the credit underwriting process**

Customers are mainly sourced through direct and indirect marketing and distribution channels:

Direct – through Branches / Satellite Branches

1. Leads generated by the Marketing Team
2. Walk-in Customers
3. Existing Customers / Guarantors

#### 4. References secured from existing Customers / Guarantors

Indirect – through external sources

1. Dealer References
2. DSAs
3. Brokers / Consultants

The management's emphasis is on sourcing business from the existing customers and their references.  
Credit Underwriting

- After identifying a prospective borrower and before putting up the proposal for approval, Marketing / Field Executive(s) verify/assess the borrower's repayment capacity and ability to pay in adverse situations. Analysis is also done to establish the credit worthiness of the Guarantor. First field investigation is done by the field executives which covers the following:
  - Physical verification of Residence/Place of business
  - Verification with address proofs
  - Verification with property and income proofs
  - Verification with previous track record or Bank statements etc.
  - Credibility of the borrower & Guarantor in the locality where they reside
  - Authentication of documents submitted for verification
  - Whether the borrower's requirements are in line with the Company's credit policy, (in terms of funding, rate of interest, tenure, vehicle make & model etc.)
  - Earning capacity of the vehicle, in terms of its viability, route of operation, segment/industry in which it operates and its prospects etc.
- IKF focuses on clients who have formal contracts with contractors/ companies. After going through the FI findings, the field executives with the help of back office operations staff put up the proposal for approval of Branch Manager. The Executive must physically verify the vehicle before sending the proposal.
- KYC information is shared with the HO credit team through TAB application to carry out the verification of all the KYC documents with API integration with various services providers and to run the internal de-dupe  
  
And a CIBIL check. The company doesn't have a defined matrix for CIBIL score, the strings are analysed to understand the credit behaviour of the client. Simultaneously, the credit team is assigning the case to a Field Investigation agency for external valuation. DD team feels that the process of CIBIL check could be standardised. A defined matrix of credit score along with deviation matrix could improve the system.
- The Branch Manager Analyses the proposal based on the findings of Field executive(s) and documents submitted, cross verifies the information furnished with information from his sources. In Hyderabad region, the BM can take a credit opinion from other financiers on phone.
- The BM forwards the proposal along with his comments/recommendations to Credit Department for approval through TAB Application.
- On receiving proposal from Branch, the credit department scrutinizes the documents submitted by the borrower and Guarantor and verifies their authenticity with the online data available on the Internet. For example:
  - PAN Card / Income Tax Returns with Income Tax website
  - Driving License / Vehicle Details with RTA Website
  - Voter Card with Election Commission website
  - Property Tax Paid with Municipal / Corporation Website
  - Property Details with Registration / Revenue Dept Websites.
  - Bank Statements with respective Banks
  - Repayment track with other Financiers / Bankers

This is followed by tele verification of both the Borrower and Guarantor to check the information furnished and their requirement. The credit department also checks if the customer falls in the negative list or if it is of a negative profile.

Viability test of the vehicle is based on the route it plies and the rates prevalent in the market. Assessment of the income of the borrower is based on the FI report and tele verification.

### **Field Investigation**

Field investigation is conducted by an external FI agency. Different FI agencies have been empanelled by IKF in different regions. FI agencies are managed from the HO. Only credit team is authorized to call for this external FI.

Field investigation involves a physical verification of borrower's address, assessment of his socioeconomic condition, obtaining feedback from neighbours and local people and verification of the documents submitted. The FI agency is also expected to check the contract letter, bank statement and vehicle viability.

### **External valuation of vehicle**

Valuation of vehicle is required in case of a used vehicle and is done by empanelled valuers who have experience in assessing value of used commercial vehicles. Payment to these valuers is done by the client, which is in line with the general market practice. DD team feels that the payment to valuers should be made by the company, to avoid any conflict of interest.

Valuation report contains details of the vehicle including vehicle identification details, registration details, permit and tax details, insurance details, status of the RC book, condition of the vehicle and estimated market value of the customer. Report is submitted along with 4(Front, back and one side, other side and chassis number) photographs of the vehicle and a tracing of the engine and chassis number.

### **Vehicle Finance Grid**

As per the policy, at the time of funding each used vehicle, the lower of the following is taken as vehicle value for ascertaining the finance amount

- (i) Vehicle Grid Values
- (ii) Valuation given by the Certified Valuer / Surveyor

### **Preparation of Vehicle finance grid**

IKF maintains different vehicle financing grids for different regions. Grid values are determined based on market feedback and company's experience of selling repossessed vehicles. Grid values are proposed by State Heads and approved by the Senior Management. The grid is updated at least every 6 months or as and when need arises. Loan to values are based on the vehicle type and the borrower category. At regular intervals, the grid value for funding of used vehicle is ascertained based on following process:

- Collection of data regarding resale deals happening in the market in consultation with transport operators, consultants, brokers, mechanics etc. in respect of various vehicles, model wise
- Collection of data regarding valuation of various vehicles, model wise, from certified valuers/ surveyors
- Collection of data regarding maximum and minimum vehicle values (IDVs) from various Insurers
- Collection of Vehicle grid values of various NBFCs

The company arrives at the model wise vehicle grid values after analysing the data so collected and compares it with the data of repossessed vehicles sold by the company in the recent past to arrive at the final grid.

## Loan Disbursement

### Sanctioning Authority for Approval

Credit officers approve the loan if the proposal is in line with the company's credit policy. Cases with any deviation are referred to Managing / Executive Director.

### Disbursements

All disbursements are through cheques. An invoice is issued immediately after disbursement. Ideally the disbursement is done only after endorsement of the hypothecation in the RC book of the vehicle.

However, to maintain the TAT to remain competitive in the market, all documents required for the endorsement of hypothecation are collected and loan is disbursed.

### Endorsement of hypothecation

Endorsement of hypothecation in Insurance and RC book should be completed within 90 days of disbursement. IKF tries to ensure that Insurance & Registration is done through them to avoid delay in collection of post disbursement documents (PDDs). Branch Manager/Incharge takes personal responsibility for collection of such PDDs.

### Delinquency Management

Collection mechanism is well defined. The collection team includes branch back office staff, tele calling recovery executives, recovery executive at the branch and the recovery manager and the Collection Head.

IKF has introduced Tab based digital collections process in the recent past to keep pace of the challenges posed by COVID related disruptions.

Besides, the Company has been encouraging the borrowers to opt for digital payment modes, like payments through NACH, RTGS. NEFT, UPI etc modes

As such, the majority of the collections are being managed through the digital modes.

Every recovery team member is assigned cases as per the below matrix and is answerable if any account crosses the stipulated DPD / Bucket.

| Responsibility         | Tele Calling | Recovery Executive | Team Leader / Recovery Manager / Branch Manager | Area Manager | State Head |
|------------------------|--------------|--------------------|-------------------------------------------------|--------------|------------|
| Installment Due Date   | Reminder     | Reminder           | Coordination                                    | Supervision  | Monitoring |
| 0-30 Installments DPD  | Reminder     | Collection         | Coordination                                    | Supervision  | Monitoring |
| 31-60 instalments DPD  | Reminder     | Collection         | Collection                                      | Supervision  | Monitoring |
| 61-90 Installments DPD | Reminder     | Collection         | Collection                                      | Collection   | Monitoring |
| 91+ Installments DPD   | Reminder     | Collection         | Collection                                      | Collection   | Collection |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

All the Accounts are assigned to the recovery executives based on their geographical operational area. Besides adopting legal means, IKF has a special recovery cell (SRC) whose responsibility is to persuade the borrowers to settle their accounts amicably. In case of borrower's reluctance, the case is assigned to a repossession team to ensure recovery of outstanding amount from the delinquent borrowers.

Loan Recovery/Follow up Process:

|                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notice in company letter head                                                                                                                                                                                                                                                                                                                                                           |
| Legal notice sent by the company                                                                                                                                                                                                                                                                                                                                                        |
| Intimation to nearest police station about repossession                                                                                                                                                                                                                                                                                                                                 |
| Repossession of vehicle – <ul style="list-style-type: none"><li>• Repossession of vehicle is done with the help of repossession agent. The field executive will be present at the time of repossession</li><li>• In very rare cases, when the company believes, there will absolutely be no hassles during repossession, the field executive themselves repossess the vehicle</li></ul> |
| Vehicle sent to the yard<br>As soon as the vehicle is repossessed, it is sent to the yard. While it is taken inside a yard, a GRN is entered. It captures various details of the content of the vehicle (like additional stepneer tyre, other damages in the vehicle)                                                                                                                   |
| Sale notice (legal notice) sent to the customer                                                                                                                                                                                                                                                                                                                                         |
| Sale of vehicle: Quote obtained from multiple dealers. The vehicle is sold to the dealer offering the best quote.                                                                                                                                                                                                                                                                       |
| Settlement notice to the customer – The company initially sends a settlement notice in the letter head of the company                                                                                                                                                                                                                                                                   |
| Legal notice : The company initiates Sec 138 against the customers in order to recover the remaining amount                                                                                                                                                                                                                                                                             |

## Systems

The company always been a digital-driven organization. We actively leverage innovative digital technologies to make lives easier for our customers and our people. Our digital efforts have been driving unmatched operational excellence, thereby positioning us for consistent transformation and long-term growth.

We have a robust loan processing system enabled by multiple checks to ensure flagging and preventing frauds and errors. Advanced technologies are also being leveraged for verifying and capturing KYC details and geo-tagging of locations as enhanced security measures. Technology implementation reduces the cost-to-serve and facilitates business operations and expansion.

The following are list of different applications/soft wares are being used in the company

Mobile Application- Sourcing/Login/Verification etc., from sourcing point

Partner/Dealer portal- Referral, Login, Case Status, PDD upload, Payout.

API Based verification- Bureau, KYC, Vaahan, Banking etc.,

External Vendor workflows- Channel, FI agency, Valuers, eNACH

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Web Based Portal- Dedupe, Credit Appraisal/Approval, Documents, Disbursement, Collection, Portfolio, Repossessions, Vendor Management Policy etc.,

Analysis & Reporting – Tableau, MS Office etc.,

#### OUTSTANDING LITIGATION

There is no outstanding litigation pending against the Issuer which may have any material adverse effect on its business prospects or financial condition.

#### Branch Details:

| Sr. No. | Purpose | State          | Location     | Branch Full Address                                                                                                      |
|---------|---------|----------------|--------------|--------------------------------------------------------------------------------------------------------------------------|
| 1       | Office  | Maharashtra    | AHEMD NAGAR  | 2ND FLOOR, MAULI SANKUL, MANMAD ROAD, SAVEDI, MAHARASHTRA, AHMEDNAGAR - 414001                                           |
| 2       | Office  | Gujarat        | AHMEDABAD    | Office no. 414, 4th floor, Sakar - II, Nr. Ellisbridge Police Station, Ellisbridge, Ahmadabad 380006                     |
| 3       | Office  | Rajasthan      | AJMER        | C/o Vishwakarma machine, Near power House, Naseerabad Road, Ajmer-305001                                                 |
| 4       | Office  | Rajasthan      | ALWAR        | Office No-2nd floor,Omji Center,14,Tej Madi ,Station Road ,Alwar 301001                                                  |
| 5       | Office  | Gujarat        | ANAND        | 203 , 2ND FLOOR ,DEV SHIKHAR COMMERCIAL,NEAR LA CASA INN HOTEL,GANESH CHOKDI ANAND – 388001                              |
| 6       | Office  | Andhra Pradesh | ANANTAPUR    | D No 45/2, 1st Floor, PS Complex, Near Andhra Bank, Kalyanadurgam main road, Ananthapur - 515004.                        |
| 7       | Office  | Gujarat        | ANKLESWAR    | office No-206,Anmol Plaza ,Opp GIDC Bus stop ,Old N.H.Number-08,Ankleshwar,pin-393001                                    |
| 8       | Office  | Maharashtra    | AURANGABAD   | F-7, OPP ATITHI HOTEL, RANA NAGAR, KUBER AVENUE PLAZA, JALNA ROAD AURANGABAD- 431001                                     |
| 9       | Office  | Karnataka      | BANGALORE    | No 64 & 65, 3rd floor, Galaxy Chambers, 21st main road, BSK II Stage, Bangalore 560070.                                  |
| 10      | Office  | Maharashtra    | BARAMATI     | Shop No. 4, Amruta Arcade, Plot No 279/1/B, Ashok Nagar, Baramati, Dist Pune, Maharashtra - 413102                       |
| 11      | Office  | Maharashtra    | BELAPUR      | No 502, Brahma Complex, Plot No 53, Sector-15, CBD Belapur, Navi Mumbai- 400614                                          |
| 12      | Office  | Karnataka      | BELGAUM      | MAHADEV PLAZA, C.T.S NO. 10719, 3rd FLOOR, KHOLAPUR CROSS, NEHRU NAGAR, BELGAUM – 590001                                 |
| 13      | Office  | Karnataka      | BELLARY      | H.NO:22/B MARUTHI COMPLEX, WARD NO-60,BALAJI RAO ROAD, BELLARY-583101                                                    |
| 14      | Office  | Madhya Pradesh | Bhanwar Kuwa | IKF FINANCE LTD, Plot No. 5, Office No. 205, Second Floor, Prem Plaza, Samrat Ashok Nagar, Bhanwar kuwa, Indore- 452001. |

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|    |        |                |              |                                                                                                                                                |
|----|--------|----------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 | Office | Andhra Pradesh | BHIMAVARAM   | D./No 2-1-39, 2nd Floor, Ram's Plaza ,HLF Office back side, Hotlines Super Market Upstair, Sivaraopeta, Juvvalapalem Road, BHIMAVARAM -534202. |
| 16 | Office | Madhya Pradesh | BHOPAL       | SM-8, B Block, Mansarovar Complex, Opp Habibganj Railway Station, Hoshangabad Road, Bhopal - 462011                                            |
| 17 | Office | Gujarat        | BHUJ         | OFFICE NO 23 B WING KATIRA COMMERCIAL COMPLEX, OPP: FIRE BRIGADE RTO RELOCATION SITE, BHUJ KUTCH - 370001                                      |
| 18 | Office | Telangana      | Chanda Nagar | SVL Towers , office number 2-57/5/104, 1st floor Chanda nagar Hyderabad - 500050                                                               |
| 19 | Office | Maharashtra    | CHANDARPUR   | First Floor, Yergude Complex, Nanaji Nagar, Nagpur Road, Chandrapur - 442401.                                                                  |
| 20 | Office | Tamil Nadu     | CHENNAI      | FLAT NO:11,'C' WINGS, 7th FLOOR,PARSN MANERE, NO:442/602, ANNA SALAI CHENNAI-600006.                                                           |
| 21 | Office | Tamil Nadu     | COIMBATORE   | 1ST FLOOR, 1054/6&7, GOWTHAM CENTER ANNEX, AVINASHI ROAD                                                                                       |
| 22 | Office | Telangana      | ECIL         | Plot number 11, sriram nagar agarwal super market, radhika theater back side ECIL, Hyderabad pin code -500062                                  |
| 23 | Office | Andhra Pradesh | ELURU        | #23B/57, 2ND FLOOR, VASAVEE PLAZA, OPP. SATHYA BHAMA SHOWROOM, EEDARAVARI STREET, DR. PRABHAVATHI HOSPITAL ROAD, R.R. PETA, ELURU - 534002.    |
| 24 | Office | Kerala         | ERNAKULAM    | CC-31/33031 NR. SREE KRISHNA TEMPLE, PONNURI VYTTLA, COCHIN - 682019                                                                           |
| 25 | Office | Tamil Nadu     | ERODE        | Karthi Complex ,shop No-2,1st floor ,17,Agilmedu Street ,6th street ,sait colony ,Erode,Tamilnadu -638001                                      |
| 26 | Office | Gujarat        | GANDHIDAM    | office No-15 & 16 ,plot no-317 ,ward-12/B ,.2nd floor ,Sonali park,opp kotak Mahindra Bank ,Gandhidham,kachchh-370201                          |
| 27 | Office | Andhra Pradesh | GUNTUR       | KOTHAMASU PLAZA, 2ND FLOOR , OPP KIRAN TAILOR, 3/1 ARUNDELPET, GUNTUR - 522002                                                                 |
| 28 | Office | Gujarat        | HIMMATNAGAR  | SHOP NO13-14, SUN COMPLEX, BEHIND NAVJEEVAN HOTEL, MOTI PURA CIRCLE , HIMMAT NAGAR – 383001                                                    |
| 29 | Office | Karnataka      | HUBLI        | 1ST FLOOR CENTER POINT, OPP SANJEEVANI PRESS, NEW COTTON MARKET                                                                                |
| 30 | Office | Telangana      | HYDERABAD    | 6-3-902/A, NEAR YASHODA HOSPITAL, SOMAJIGUDA – 500082                                                                                          |
| 31 | Office | Madhya Pradesh | INDORE – 2   | 511,Plot no.7 ,P.U scheme No.54,shagun tower 5th floor,vijay Nagar, Indore(MP)                                                                 |
| 32 | Office | Madhya Pradesh | JABALPUR     | PLOT NO 75, UKARI ROAD, SHITALPURI BALDEV BAG, JABALPUR, MP-482001                                                                             |
| 33 | Office | Rajasthan      | JAIPUR       | F2-A,JAGDAMBA TOWER, AMPRAPALI CIRCLE, VAISHALI NAGAR, JAIPUR-302021                                                                           |
| 34 | Office | Maharashtra    | JALGOAN      | SHOP NO.43/44, SURESH DADA JAIN SHOPPING COMPLEX, AJNTA ROAD, NEAR AJANRA SQUARE, IN FRONT AURANGABAD ROAD, JALGOAN - 425001                   |

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|    |        |                |                |                                                                                                                                 |
|----|--------|----------------|----------------|---------------------------------------------------------------------------------------------------------------------------------|
| 35 | Office | Gujarat        | JUNAGADH       | Indralok Arcade ,1st floor,office No-110 & 111 ,Jayshree cinema Road , Near Talav darwaja,Junagadh-362001                       |
| 36 | Office | Andhra Pradesh | KAKINADA       | 13-1-51, 1ST FLOOR, OPP HERO HONDA SHOW ROOM, SURYA PETA MAIN ROAD, KAKINADA-533001.                                            |
| 37 | Office | Telangana      | KARIMNAGAR     | H.No. 8-6-411, Kothirampur, Karimnagar                                                                                          |
| 38 | Office | Telangana      | KHAMMAM        | D NO:11-10-860/5, 1ST FLOOR, BESIDE APGVB BANK, RAPARTHI NAGAR, BY PASS ROAD, KHAMMAM-507001.                                   |
| 39 | Office | Telangana      | KODADA         | Door No 12-143/5/4, 1st Floor, Sri Sai Towers, Beside Oriental Insurance, Near Petrol Bunk, Srinivasa Nagar,                    |
| 40 | Office | Rajasthan      | KOTA           | 1st floor,Manak Bhavan ,Kotri Road,Kota - 302007                                                                                |
| 41 | Office | Tamil Nadu     | KRISHNAGIRI    | 1/341F, PATHIRIKHAN NAGAR, AVIN DAIRY CIRCLE CHENNAI BYE PASS, KRISHNAGIRI - 635001                                             |
| 42 | Office | Andhra Pradesh | KURNOOL        | PLOT NO:212, 2nd FLOOR, RAGAMAYURI PRIDE, BACKSIDE D-MART,SHOPPING COMPLEX, BELLARY CHOWRASTHA, KURNOOL-518003.                 |
| 43 | Office | Telangana      | LB NAGAR       | H.NO.5-5-934/1 ,Agamaiah Nagar, Chinthalkunta, LB Nagar.                                                                        |
| 44 | Office | Tamil Nadu     | MADHURAI       | D No: 94/15A, 3rd Floor, Raja Muthaiah Nagar, 70 Ft Road, Ellish Nagar, Bypass Road, MADURAI - 625010.                          |
| 45 | Office | Telangana      | MAHABOOB NAGAR | IKF Finance Limited, OPP SBH BANK, PADMAVATHI COLONY MAHABOOB NAGAR-509001                                                      |
| 46 | Office | Gujarat        | MEHSANA        | Shop No. 17, 1st Floor, Shanskrut Shopping Mall, Highway Road, Mehsana                                                          |
| 47 | Office | Telangana      | MIRIYALGUDA    | 18-1814 SAI TEMPLE STREET 2ND FLOOR, HUNUMAN PETA MIRIYALAGUDA, NALGONDA 207                                                    |
| 48 | Office | Gujarat        | MORBI          | UTTIRE (SHOP T-14), LAXMI PLAZA, NR SHUBH HOTEL, SAVALA ROAD                                                                    |
| 49 | Office | Maharashtra    | NAGPUR         | H.NO. 291/FF/4, FIRST FLOOR, MADHU MADHAV TOWER, LAXMI BHAWAN SQUARE ( MILTON SQUARE), DHARAMPET, NAGPUR - 440010               |
| 50 | Office | Andhra Pradesh | NANDYAL        | D No 25-759, 2nd Floor, Shop No 62, Srinivasa Market Complex, Srinivas Nagar, Nandyal, Kurnool (Dist) - 518501                  |
| 51 | Office | Maharashtra    | NASHIK         | No 02, Sharada Niketan, GSK Avenue, Tilak Wadi, Sgarapur Road, Nasik. Pin Code -422002.                                         |
| 52 | Office | Andhra Pradesh | NELLORE        | D No: 25/2/838, Srivari Complex, Shop no 3, 1st Floor, Savitri Nagar, Opp Nippo Saibaba Temple, Vedaya Palem, NELLORE - 524004. |
| 53 | Office | Telangana      | Nizamabad      | 1-12-52/2, 2ND FLOOR, RAMDAS COMPLEX, VINAYAKA NAGAR, NIZAMABAD, TELANGANA -503 001                                             |

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|    |        |                |                |                                                                                                                                                       |
|----|--------|----------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 54 | Office | Andhra Pradesh | ONGOLE         | Gupthas Square, ATF - 7, 3rd Floor, 60 Feet Road, ONGOLE - 523001                                                                                     |
| 55 | Office | Gujarat        | PALANPUR       | D/5,SECOND FLOOR, ABOVE PUNJAB NATIONAL BANK, SANSKRUTI COMPLEX, ABU HIGHWAY PALANPUR-385001                                                          |
| 56 | Office | Tamil Nadu     | Perambalur     | IKF FINANCE LTD, No-185/10A, First floor, Sellammal Narayanan Complex, Aviayar street, Ariyalur Main Road, Near Chennai four way, Perambalur - 621212 |
| 57 | Office | Puducherry     | PONDICHERRY    | 1st FLOOR,GOBERT STREET, EASTERN SIDE,KAMARAJ NAGAR, PONDICHERRY - 605011                                                                             |
| 58 | Office | Andhra Pradesh | PRODDUTUR      | 14/66, 1st Floor, Opp Anwar Talkies, Mydukuru Road, Proddutur - 516360                                                                                |
| 59 | Office | Maharashtra    | PUNE – 2       | PENTAGON OFFICE NO: 409, 4th FLOOR, BEHIND LOTUS COURT, ABOVE AXIS BANK, PUNE SATARA ROAD, PUNE-411043                                                |
| 60 | Office | Andhra Pradesh | RAJAHMUNDRY    | D.NO 79-1-6 4TH FLOOR, SHOUBAGYA NILAYAM, TILAK ROAD OPPOSITE SOUTHERN SPICE RESTAURANT, RAJAHMUNDRY-AP - 533103                                      |
| 61 | Office | Gujarat        | RAJKOT         | VIRAL HEIGHTS, 6TH FLOOR, OFFICE NUMBER-607, AYODHYA CHOWK, 150 FEET RING ROAD, RAJKOT-PIN-360006                                                     |
| 62 | Office | Madhya Pradesh | RATLAM         | Reliable Trade centre,Cabin no : 208, 2nd Floor, Station road, Above Corporation bank Ratlam - 457001.                                                |
| 63 | Office | Tamil Nadu     | SALEM          | No:- 389, 2nd Floor, Ram Bazar Street, Muyanru, 5Roads, SALEM - 636004                                                                                |
| 64 | Office | Gujarat        | SURAT          | 3rd FLOOR,SHREE KUBERJI COMPLEX, ATHUGAR STREET, NEAR NANPURA POST OFFICE, NANPURA, SURAT - 395001                                                    |
| 65 | Office | Gujarat        | SURENDRA NAGAR | 245, 2nd Floor, Mega Mall, Near Milan Cinema, Station Road, Surendranagar - 363001                                                                    |
| 66 | Office | Andhra Pradesh | TADIPATRI      | 13/203, 1st floor, Above Medplus, CB Road, Tadipatri – 515411                                                                                         |
| 67 | Office | Tamil Nadu     | TANJAVUR       | 1st floor ,sri Balaji Complex Medical college Road Opp -Balaji Nagar ,Thanjavur-613007                                                                |
| 68 | Office | Maharashtra    | THANE          | Office no.A-402,4th floor,Glacia Co-op,Hsg.Soc.Ltd,Village Thane,Edulaji Road,Charai,Thane - 400601                                                   |
| 69 | Office | Tamil Nadu     | TIRUNELVELI    | VAVOO CENTER, 1/A SHOP NO 3, MADHURAI ROAD, OPP KIDNEY CENTER LAND, TIRUNELVELLI-627001.                                                              |
| 70 | Office | Andhra Pradesh | TIRUPATI       | NO 19-4-8/10 A, 4TH FLOOR, ABOVE BIRYANI WALA, BESIDE AGARWALS EYE HOSPITAL, LAKSHMIPURAM CIRCLE, TIRUPATHI – AP 517501                               |
| 71 | Office | Tamil Nadu     | TRICHY         | D No 60, Room No -2, 3rd Floor, Sri Krishna Arcade, Tennur, Trichy - 620017                                                                           |
| 72 | Office | Madhya Pradesh | UJJAIN         | 1/2,kamla Nehru Marg,1st floor,Shaheed Park,Freeganj,Ujjain(mp) - 456010                                                                              |
| 73 | Office | Gujarat        | VADODARA       | #110, 1ST FLOOR, SIDDARTH COMPLEX, RC DUTT ROAD, ALKAPURI, VADODARA-390007                                                                            |

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|----|--------|----------------|---------------|------------------------------------------------------------------------------------------------------------------------------------|
| 74 | Office | Gujarat        | VAPI          | 1st FLOOR ,C-107, M CUBE BUSINESS HUB, NR.BOMBAY RESTAURENT NH-8, VAPI - 396191                                                    |
| 75 | Office | Tamil Nadu     | VELLORE       | No:- 160, 2nd Floor, Puthukudiyan Sathiram St, Thottapalayam, VELLORE - 632004                                                     |
| 76 | Office | Gujarat        | VERAVAL       | OFFICE NO-18, 2nd FLOOR, VINAYAK PLAZA-1, NR.HDFC BANK, RAJENDRA BHAVAN ROAD VERAVAL-362265.                                       |
| 77 | Office | Andhra Pradesh | VIJAYAWADA    | 40-1-144, CORPORATE CENTRE, M.G ROAD, VIJAYAWADA -520010.                                                                          |
| 78 | Office | Andhra Pradesh | VISAKHAPATNAM | D no:44-14-116/6, Flat no:301, 3rd floor, Lakshmi royal plaza, Resapuvanipalem, Near Spencer signal junction,Visakhapatnam-530003. |
| 79 | Office | Telangana      | WARANGAL      | DR. K S R SASTRY & DR.JHANSI DEVI BUSINESS PARK #2-1-583/1,NAYEEMNAGAR,KUC X ROAD,HANUMAKONDA,WARANGAL, TS-506001.                 |
| 80 | Office | Karnataka      | Mysore        | #40 , 1st floor , 3rd stage, D. Devaraj Urs Road , Next to Anjaneya Temple Mysore-570001                                           |
| 81 | Office | Karnataka      | Tumkur        | CHAMUNDI COMPLEX, K.R.EXTN, BARLINE ROAD, NEAR CHAMUNDESHWARI TEMPLE, TUMAKURU – 572102                                            |
| 82 | Office | Madhya Pradesh | Dhar          | No: 21&22, 1st floor, Kashi Bagh colony, Trimurti Chouraha, above IDBI Bank, Dhar - 454001.                                        |
| 83 | Office | Madhya Pradesh | Sehore        | 1st Floor, Near Honda Showroom, Shekda, Khedi road, Sehore, Madhya Pradesh - 466001                                                |
| 84 | Office | Maharashtra    | Satara        | S.NO.509/B/1/2, OFFICE NO 2, GROUND FLOOR, GENERATION BUILDING SHAHA COMPLEX , SADAR BAZAR, SATARA 415002                          |
| 85 | Office | Maharashtra    | Bhandara      | IKF FINANCE LIMITED, SECOND FLOOR, SHIVARPAN TOWERS, RAJIV GANDHI CHOWK, BHANDARA – 441904                                         |
| 86 | Office | Tamil Nadu     | Karaikudi     | No: 3/1026 H, CMD Tower, Old Housing Board Bustop, Near Kalanivasl, Tiruchy Bypass Raod, Sivagangai, Karaikudi - 630001            |
| 87 | Office | Tamil Nadu     | Redhills      | No: 2/370 - H, Sri Chinnamman Complex, Bypass Road, Near Vadakarai Junction Signal, Red Hills - 600052.                            |
| 88 | Office | Telangana      | Siddipet      | Plot no 2/4, Sy no 176, Mythranam, Hyderabad Road, Siddipeta - 502103                                                              |
| 89 | Office | Tamil Nadu     | Sivakasi      | No 42/9, 1st Floor, PARSN plaza complex, Chairman Shanmuga Nadar Road, Srivilliputtur Raod, Near Water Tank, Sivakasi - 626123     |
| 90 | Office | Tamil Nadu     | Dindigul      | IKF Finance LTD, D no: F3 & F4, 1st Floor, Kavin Complex, Kotta Party (PO), Palani, Madurai Bypass Road, Dindigul - 624002.        |
| 91 | Office | Tamil Nadu     | Dharmapuri    | No 5/1657 - E3, Salem Main Road, Lakkiam Patty, Collector office post, Dharmapuri - 636705.                                        |

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|-----|--------|----------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 92  | Office | Telangana      | Manchiryal  | H No: 1-1/1-4, S V Complex, Bypass Road, Near Laxmi Theater, Above Mahindra Showroom, Mancheriyal - 504208.                              |
| 93  | Office | Karnataka      | Peenya      | IKF FINANCE LTD, No 24, 1st Floor, Kaidab Road, Chokkasandra, Near DynamicOld Land Aerospace, T.Dasarahalli, Peenya - 560057             |
| 94  | Office | Rajasthan      | Sikar       | 2nd Floor of Building, Main Rani Sati Road, , Near Shastri Nagar Corner, Sikar, Rajasthan - 332001                                       |
| 95  | Office | Karnataka      | K R Puram   | No 5M, 408/8, K No 309, 1st Floor, East of NGEF, Vijinapura, KR Pura, Bangalore 560036.                                                  |
| 96  | Office | Telangana      | GADWAL      | No. 1-4-2/4A, 1st Floor, Near Krishnaveni Chowk, Bheema Nagar, Gadwal-509125                                                             |
| 97  | Office | Telangana      | Jagtial     | No. 1-5-81/11/1, Aravind Nagar, Rajeev Bypass Road, Near Govind pally chowrasta, Jagtial-505327                                          |
| 98  | Office | Maharashtra    | Kalyan      | Shop no. 02, 1st floor, SARVODAY Mall, opp. APMC - Market Kalyan, Near Patri Pool, Kalyan (west) - 421301                                |
| 99  | Office | Andhra Pradesh | MADANAPALLE | D.NO 16-352-A,1ST FLOOR GANDHI ROAD, ADANAPALLE,CHITTOR,AP,OPP MLL HOSPITAL                                                              |
| 100 | Office | Maharashtra    | VASAI       | OFFICE NO - 502, NORTH LANES, VARTAK COLLEGE ROAD, NEAR VASAI RAILWAY STATION, VASAI (W) – 401202                                        |
| 101 | Office | Telangana      | KOMPALLY    | LAXMI TOWERS PLOT NO:63HALF PORTION OF 3RD FLOOR RAGAVENDRACOLONY,QUTHBULLAPUR ROAD, SUCHITRA CIRCLE, 5000067                            |
| 102 | Office | Telangana      | SANGAREDDY  | # 4-92/4, 1st floor,MiG-1,House No-1,Phase3,Pothireddypally, Sangareddy-502001                                                           |
| 103 | Office | Maharashtra    | SOLAPUR     | HARIPRIYA OFFICES, 267/45, RAVIWAR PETH, KUCHAN HIGH SCHOOL ROAD,OPP. UMASA PATHPEDI, SOLAPUR MAHARASHTRA-413005                         |
| 104 | Office | Maharashtra    | BORIVALI    | IKF FINANCE LIMITED, SHOP NO. 9, MADHUR APARTMENTS, 56TH TPS ROAD, BORIVALI WEST, MUMBAI - 400092                                        |
| 105 | Office | Maharashtra    | CHAKAN      | IKF FINANCE LIMITED, 2ND FLOOR GN 1209 SAI CORPORATE BUILDING SHOP NO 217 MUTKEWADI PUNE NASHIK HIGHWAY CHAKAN TAL KHED DIST PUNE 410504 |
| 106 | Office | Maharashtra    | PIMPRI      | IKF FINANCE LIMITED, 2ND FLOOR GN SHOP NO 13 GROUND FLOOR TAPASVI PLAZA, CHINCHWAD PIMPRI, DIST PUNE, MH 411019                          |
| 107 | Office | Maharashtra    | SANGAMNER   | IKF FINANCE LIMITED, PLOT NO 23, TOP TEN EMPERIAL,ABOVE HALDIRAM SWEET,NASIK ROAD.SANGAMNER TAL-SANGAMNER, AHMEDNAGAR, MH                |

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|-----|--------|----------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 108 | Office | Gujarat        | RAJKOT-MSME | IKF FINANCE LIMITED, OFFICE NO 704, VIRAL HEIGHTS, BESIDE TIMES SQUARES 2, NR AYODHYA CHOWK, 150 FT RING ROAD, MADHAPUR, RAJKOT – 360006 |
| 109 | Office | Rajasthan      | JAIPUR-MSME | IKF FINANCE LIMITED, OFFICE NO 330, 3RD FLOOR, GANAPATI PLAZA, MI ROAD, JAIPUR - RAJASTAN – 302001                                       |
| 110 | Office | Maharashtra    | WARDHA      | IKF FINANCE LIMITED, SUKHKAKARTE COMPLEX, ARVI NAKA CHOWK, WARDHA, MP – 442001                                                           |
| 111 | Office | Karnataka      | DAVANAGERE  | Door No. 199/3A, P.J.Extension,3rd Main, 7th Cross, Davangere                                                                            |
| 112 | Office | Madhya Pradesh | Gwalior     | 2nd floor, 886 RK Tower, Kailash Vihar, City Center, Gwalior, Madhya Pradesh - 474011                                                    |
| 113 | Office | Maharashtra    | Malegaon    | 2nd Floor, City Junction, opp. Indian Kids, Camp Road, Malegaon, Maharashtra                                                             |
| 114 | Office | Rajasthan      | SUMERPUR    | 1st floor, Jawai Bandh Road, Beside Aarya Samaj Circle, Opp-Defiance Electronic, Sumerpur, Rajasthan-306902                              |
| 115 | Office | Telangana      | SURYAPET    | Shop No. 1-2-267/2, Near Anjali High School, Suryapet, Telangana - 508213                                                                |
| 116 | Office | Telangana      | UPPAL       | #1-38, MTR Complex, 2nd Floor, Uppal to Nagol Road, Beside Mekala Bharathi Garden, Uppal, Hyderabad -500039                              |
| 117 | Office | Telangana      | BHONGIR     | D.No. 1-4-291/1, Plot No. 07 & 08, Tata Nagar, Hanumakonda Road, Bhongir, Telangana-508116                                               |
| 118 | Office | Telangana      | BANSWADA    | H.NO. 1-1-12/6, Ambedkar Chowrasta, Banswada, Nizamabad (Dist), Telangana-503187                                                         |

## B. Corporate Structure of the Issuer

| Board of Directors |                               |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------|-------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name               | Designation                   | Permanent Account Number | Experience                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Shri.V.G.K.Prasad  | Chairman & Executive Director | ACKPV7061N               | Veteran in Vehicle Finance business in the state of Andhra Pradesh with Three decades of rich experience in the field of Finance and Management. Before promoting M/s. IKF Finance Limited, he was associated with various Finance firms as Managing Partner. He served as President of Krishna District Auto Financiers Association and also served as the Member of the Governing Council, Vice President, Secretary General |

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| Board of Directors                                                     |                                                |                          |                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------|------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                                                                   | Designation                                    | Permanent Account Number | Experience                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                        |                                                |                          | and President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing NBFCs.                                                                                                                                                                                                                                                                                   |
| Smt.V.Indira Devi                                                      | Whole Time Director                            | ABXPV8272D               | Associated with several automobile finance Firms as partner for the past 25 years and has gained in depth knowledge in the automobile finance business                                                                                                                                                                                                                                              |
| Smt. K Vasumathi Devi                                                  | Managing Director                              | AXEPK4252F               | BE (Electronics & Communications), MBA (Global Management) (USA) is having around a decade experience in IT and Telecommunications in USA and has been associated with the Company for the last eight years.                                                                                                                                                                                        |
| Dr. Sinha S. Chunduri                                                  | N.R.I. Director                                | AINPC5966E               | Specialist in Diagnostic Gastro Entrology, engaged in medical Profession for last 25 years in U.S.A., is an NRI Director of the Company. Besides medical profession, he is associated with several Medical Institutions as consultant and Director in U.S.A. He is also holds Directorship in M/s. Amara Raja Power Systems (P) Limited, an associate concern of M/s. Amara Raja Batteries Limited. |
| Shri. K Satyanarayana Prasad                                           | Independent Director                           | ADOPK9557F               | B.E.,(Civil) MIGS, is having 27 years of enormous experience in the field of Civil Engineering and Administration                                                                                                                                                                                                                                                                                   |
| Vupputuri Vasantha Lakshmi, Alternate Director to Sri Sinha S Chunduri | Alternate Director to Satyanand Sinha Chunduri | AGEPV4163B               | Mrs. Vasantha Lakshmi has completed her B Pharmacy. She has over 10 year of experience in fund management, investment banking, credit rating and corporate development.                                                                                                                                                                                                                             |
| Vinit Mukesh Mehta                                                     | Nominee Director                               | AAFPM7769P               | Mr.Vineet Mukesh Mehta, a Chartered Accountant is having over 15 years of experience in investment banking (Kotak, KPMG),                                                                                                                                                                                                                                                                           |

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| Board of Directors           |                      |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|----------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                         | Designation          | Permanent Account Number | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                              |                      |                          | private equity and Corporate Banking (HDFC Bank). Prior to joining MOPE, Vinit was with Kotak Investment Bank where he led and executed 40+ transaction and successfully helped raise more than USD 25 bn across M&A, Private Equity and Capital Market fund raises. Vinit holds a Bachelor's Degree in Commerce from the Mumbai University and is a member of the Institute of Chartered Accountants of India.                                                                   |
| Nageswara Rao<br>Yalmanchili | Independent Director | AADPY4600K               | Mr. Nageswara Rao Y holds a bachelor's degree in Commerce and is a Certified Associate Institute of Bankers (CAIIB). He has over 36 years of experience in banking and financial services with specialization in Information Technology, Credit, Treasury, and Forex Management. His previous employments include Executive Director of Vijaya Bank, Executive Director of Syndicate Bank, Executive Director of Bank of Maharashtra and Director of Visveshvaraya Grameena Bank. |
| Gopala Krishna<br>Gurappa    | Independent Director | AAAPG6780D               | Sri Gopala Krishna has worked for reserve bank of India (RBI) and CAFRAL for over 37 years. RBI in April 2014 appointed as Director, Centre for Advanced Financial Research and Learning (CAFRAL) promoted by RBI. Appointed as an Executive Director, RBI from October 2007 to April 2014 and was Overseeing the Department of banking Supervision, Department of non-Banking Supervision, Department of Payment & Settlement System, Financial Stability Unit, Department of    |

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| Board of Directors           |                      |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|----------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                         | Designation          | Permanent Account Number | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                              |                      |                          | Communication, Department of Information Technology and Foreign Exchange Department. Headed the Deposit Insurance and Credit Guarantee Corporation (DICGC). Further appointed as Chairman of Working Group (WG) on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds in 2010. Currently serving as an Independent Director for few Companies and Director of Risk & Compliance of Professional Association (RCPA) a Section 8 Non-Profit Organisation set up for both online and classroom-based training in Risk management and Compliance finance sector                                                                                                                                                                            |
| Sunil Rewachand Chandiramani | Independent Director | AABPC6204F               | <p>Sunil is passionate about working with high growth entrepreneurs advising them on their growth strategy and helping them design and implement initiatives in the areas of corporate strategy, technology transformation and operational effectiveness, governance and capital management.</p> <p>He is a member of the CII Council for Corporate Governance. He serves as an Independent Director on the Board several public companies such as Sapphire Food Limited, Ganesh Grains Limited, Updater Service Ltd. and a Strategic Advisor and Coach to several other companies such as the Stupa Analytics Pvt Ltd, Davadost Pvt Ltd and VigyanLabs Limited. He has also served on the Boards of Poonawala Fincorp Limited, Jammu &amp; Kashmir Bank, More Retail</p> |

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| Board of Directors |             |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------|-------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name               | Designation | Permanent Account Number | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                    |             |                          | <p>Ltd.</p> <p>He is also the Senior Adviser and Mentor for Protiviti Consulting in India and Middle East.</p> <p>Prior to his current venture he spent 25 years with Ernst &amp; Young LLP, India's leading professional services firm. He was responsible for leading India Largest Advisory Practice and also led the development of the Global Innovation Strategy for EY Global. He has been the leader for several industries such as Financial Services, Government and Technology and has the experience of working across geographies – USA, Europe, Africa and South East Asia.</p> <p>He is a former member of committees constituted by Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and CII. Widely regarded as a thought leader, Sunil has been invited to speak at conferences both in India and overseas and at prestigious forums like CII, NASSCOM, American Chamber of Commerce, leading Management institutions and The Institute of Internal Auditors. He has served as an Advisor to the Universal Business School (UBS) and the Information Security Management Group</p> |

**C. Project Cost and means of financing, in case of funding of new projects**

NA

**5.5 Financial Information**

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- A. A columnar representation of the audited financial statements (i.e., Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of this Placement Memorandum or the issue opening date, as may be applicable. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Attached as **Annexure V (Part A)**

- B. Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.

(Amount in Crores)

| Parameters                                                   | Q3 FY<br>2022-23  | FY 2021-22     |                  | FY 2020-21     |                  | FY 2019-20     |                  |
|--------------------------------------------------------------|-------------------|----------------|------------------|----------------|------------------|----------------|------------------|
|                                                              | Limited<br>Review | Audited        |                  | Audited        |                  | Audited        |                  |
|                                                              | Standalon<br>e    | Standalo<br>ne | Consolidat<br>ed | Standalon<br>e | Consolidat<br>ed | Standalon<br>e | Consolidat<br>ed |
| <b>Balance Sheet</b>                                         |                   |                |                  |                |                  |                |                  |
| <b>Net Fixed Assets</b>                                      | 7.70              | 5.39           | 6.53             | 4.42           | 5.79             | 5.21           | 6.64             |
| <b>Current Assets</b>                                        | 1223.61           | 715.26         | 787.96           | 755.88         | 790.91           | 536.40         | 551.80           |
| <b>Non-Current Assets</b>                                    | 1182.16           | 997.60         | 1279.60          | 864.75         | 1017.61          | 843.77         | 927.62           |
| <b>Total Assets</b>                                          | 2413.47           | 1718.25        | 2074.09          | 1625.05        | 1814.30          | 1385.38        | 1486.05          |
| <b>Non-Current Liabilities</b>                               |                   |                |                  |                |                  |                |                  |
| (including maturities of long-term borrowings);              | 1043.12           | 595.88         | 838.77           | 512.49         | 649.47           | 480.96         | 521.27           |
| <b>Financial (borrowings, trade payables, and</b>            | 0                 | 0.00           | 0.00             | 0.00           | 0.00             | 0.00           | 0.00             |
| <b>other financial liabilities);</b>                         | 4.55              | 2.21           | 2.30             | 2.83           | 2.93             | 5.07           | 5.07             |
| <b>Provisions;</b>                                           | 3.66              | 2.74           | 3.14             | 2.48           | 2.76             | 1.89           | 2.11             |
| <b>Deferred tax liabilities (net);</b>                       | 0                 | 0.00           | 1.65             | 0.27           | 1.17             | 0.00           | 0.00             |
| <b>Other non-current liabilities</b>                         | 0                 | 0.00           | 0.00             | 0.00           | 0.00             | 0.00           | 0.39             |
| <b>Current Liabilities</b>                                   |                   |                |                  |                |                  |                |                  |
| (including maturities of long-term borrowings and short-term | 877.88            | 710.64         | 780.73           | 741.81         | 763.99           | 576.15         | 612.31           |

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| Parameters                                                                                 | Q3 FY<br>2022-23  | FY 2021-22     |                  | FY 2020-21     |                  | FY 2019-20     |                  |
|--------------------------------------------------------------------------------------------|-------------------|----------------|------------------|----------------|------------------|----------------|------------------|
|                                                                                            | Limited<br>Review | Audited        |                  | Audited        |                  | Audited        |                  |
|                                                                                            | Standalon<br>e    | Standalo<br>ne | Consolidat<br>ed | Standalon<br>e | Consolidat<br>ed | Standalon<br>e | Consolidat<br>ed |
| borrowings);                                                                               |                   |                |                  |                |                  |                |                  |
| Financial<br>(borrowings,<br>trade<br>payables,<br>and other<br>financial<br>liabilities); | 23.62             | 18.09          | 29.39            | 23.87          | 33.14            | 22.31          | 33.16            |
| Provisions;                                                                                | 0.00              | 0.32           | 0.32             | 0.27           | 0.27             | 0.20           | 0.20             |
| Current tax<br>liabilities(net<br>)                                                        | 0                 | 0.00           | 0.00             | 0.00           | 0.72             | 0.00           | 0.00             |
| Other<br>current<br>liabilities                                                            | 1.14              | 0.99           | 1.57             | 1.12           | 1.49             | 1.19           | 1.49             |
| Total<br>liabilities                                                                       | 1953.97           | 1330.88        | 1657.87          | 1285.15        | 1455.94          | 1087.77        | 1176.00          |
| Equity<br>(equity and<br>other equity)                                                     | 459.49            | 387.37         | 416.22           | 339.90         | 358.36           | 297.61         | 310.05           |
| Total equity<br>and liabilities                                                            | 2413.47           | 1718.25        | 2074.09          | 1625.05        | 1814.30          | 1385.38        | 1486.05          |
| <b>Profit and Loss</b>                                                                     |                   |                |                  |                |                  |                |                  |
| Total<br>revenue<br>from<br>operations                                                     | 199.87            | 220.60         | 269.62           | 204.07         | 237.52           | 205.69         | 238.76           |
| Other<br>income                                                                            | 0.07              | 0.63           | 2.08             | 0.16           | 0.57             | 0.19           | 0.74             |
| Total<br>Expenses                                                                          | 155.66            | 166.95         | 203.31           | 160.03         | 184.98           | 167.94         | 191.36           |
| Total<br>comprehensi<br>ve income                                                          | 199.94            | 221.23         | 298.70           | 204.23         | 238.09           | 205.88         | 239.50           |
| Profit / loss                                                                              | 44.28             | 54.28          | 95.39            | 44.20          | 53.11            | 37.94          | 48.14            |
| Other<br>Comprehensi<br>ve income                                                          | 0.05              | 0.08           | 0.10             | 0.10           | 0.12             | (0.04)         | (2.91)           |
| Profit / loss<br>after tax                                                                 | 32.97             | 40.39          | 51.23            | 32.01          | 38.02            | 27.70          | 35.81            |
| Earnings per<br>equity share:                                                              |                   |                |                  |                |                  |                |                  |
| (a) basic; and                                                                             | 6.04              | 7.80           | 9.89             | 6.35           | 7.54             | 5.52           | 7.13             |
| (b) diluted                                                                                | 6.04              | 7.80           | 9.89             | 6.34           | 7.53             | 5.51           | 7.12             |
| Continuing<br>Operations                                                                   | 32.97             | 40.39          | 51.23            | 32.01          | 38.02            | 27.70          | 35.81            |
| Discontinued                                                                               | 0                 | 0.00           | 0.00             | 0.00           | 0.00             | 0.00           | 0.00             |

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| Parameters                                             | Q3 FY<br>2022-23       | FY 2021-22 |              | FY 2020-21 |              | FY 2019-20 |              |
|--------------------------------------------------------|------------------------|------------|--------------|------------|--------------|------------|--------------|
|                                                        | Limited<br>Review      | Audited    |              | Audited    |              | Audited    |              |
|                                                        | Standalone             | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| operations                                             |                        |            |              |            |              |            |              |
| Total Continuing and discontinued operations           | 32.97                  | 40.39      | 51.23        | 32.01      | 38.02        | 27.70      | 35.81        |
|                                                        | Cash Flow              |            |              |            |              |            |              |
| Net cash generated from operating activities           | N.A.                   | (188.49)   | (320.85)     | (194.85)   | (252.49)     | (108.05)   | (97.38)      |
| Net cash used in / generated from investing Activities | N.A.                   | (19.48)    | (2.58)       | (0.59)     | (0.87)       | (1.21)     | (1.80)       |
| Net cash used in financing activities                  | N.A.                   | 123.82     | 275.35       | 288.51     | 365.81       | 120.39     | 113.87       |
| Cash and Cash Equivalents                              | N.A.                   | (84.16)    | (48.08)      | 93.08      | 112.45       | 11.13      | 14.69        |
| Balance as per statement of cash flows                 | N.A.                   | 33.77      | 96.64        | 117.93     | 144.74       | 24.86      | 32.30        |
|                                                        | Additional Information |            |              |            |              |            |              |
| Net worth                                              | 459.49                 | 387.37     | 416.22       | 339.90     | 358.36       | 297.61     | 310.05       |
| Cash and Cash Equivalents                              | 75.58                  | 33.77      | 96.64        | 117.93     | 144.74       | 24.86      | 32.30        |
| Current Investments                                    | 0                      | 0.00       | 0.00         | 0.00       | 0.00         | 0.00       | 0.00         |
| Assets Under Management                                | 2183.05                | 1742.27    | 2143.53      | 1489.27    | 1742.48      | 1311.43    | 1541.17      |
| Net sales                                              | 197.74                 | 217.57     | 261.46       | 204.07     | 232.01       | 205.69     | 233.56       |
| EBITDA                                                 | 152.65                 | 173.52     | 206.47       | 161.83     | 183.70       | 154.91     | 175.44       |
| EBIT                                                   | 150.72                 | 172.23     | 204.56       | 160.39     | 181.77       | 153.42     | 173.49       |
| Dividend amounts                                       | 0                      | 0.00       | 0.00         | 0.00       | 0.00         | 0.00       | 0.00         |
| Long term debt to                                      | 4.09                   | 1.82       | 2.51         | 1.94       | 2.44         | 2.26       | 2.40         |

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| Parameters                                                               | Q3 FY 2022-23  | FY 2021-22 |              | FY 2020-21 |              | FY 2019-20 |              |
|--------------------------------------------------------------------------|----------------|------------|--------------|------------|--------------|------------|--------------|
|                                                                          | Limited Review | Audited    |              | Audited    |              | Audited    |              |
|                                                                          | Standalone     | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| working capital                                                          |                |            |              |            |              |            |              |
| Current Liability ratio – Current liabilities / Non –current liabilities | 46:54          | 55:45      | 49:51        | 60:40      | 55:45        | 55:45      | 55:45        |
| Total Debts to Total assets                                              | 79.60%         | 76.33%     | 78.08%       | 77.51%     | 77.91%       | 76.81%     | 76.28%       |
| Debt Service Coverage Ratios                                             | 1.79           | 1.99       | N.A.         | 1.52       | N.A.         | 1.28       | N.A.         |
| Interest Income                                                          | 198.65         | 218.99     | 263.01       | 202.96     | 234.23       | 205.68     | 235.80       |
| Interest Expense                                                         | 101.11         | 112.13     | 129.88       | 111.19     | 123.33       | 110.95     | 120.46       |
| Interest service coverage ratio                                          | 1.43           | 1.48       | N.A.         | 1.40       | N.A.         | 1.34       | N.A.         |
| Provisioning & Write-offs                                                | 7.67           | 5.12       | 5.13         | 6.47       | 7.82         | 16.35      | 20.40        |
| Bad debts to Account receivable ratio                                    | 2.87%          | 2.72%      | 2.41%        | 2.98%      | 2.74%        | 2.69%      | 2.56%        |
| Gross NPA (%)                                                            | 2.87%          | 2.72%      | 2.41%        | 2.98%      | 2.74%        | 2.69%      | 2.56%        |
| Net NPA (%)                                                              | 2.14%          | 1.84%      | 1.60%        | 2.19%      | 1.98%        | 1.97%      | 1.82%        |
| Tier I Capital Adequacy Ratio (%)                                        | 17.98%         | 21.48%     | N.A.         | 21.50%     | N.A.         | 19.54%     | N.A.         |
| Tier II Capital Adequacy Ratio (%)                                       | 7.86%          | 2.75%      | N.A.         | 2.17%      | N.A.         | 1.65%      | N.A.         |
| Interest service coverage ratio                                          | 1.43           | 1.48       | N.A.         | 1.40       | N.A.         | 1.34       | N.A.         |

**C. Gross Debt: Equity Ratio of the Company (As on December 31, 2022):**

|                                            |      |
|--------------------------------------------|------|
| <b>Before the Issue of debt securities</b> | 4.18 |
| <b>After the Issue of debt securities</b>  | 4.29 |

**D. Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:**

Nil

**5.6 A Brief history of Issuer since its incorporation giving details of its following activities:**

**A. Details of Share Capital as on latest quarter end i.e., December 31, 2022:**

| Share Capital                                              | Amount (in Rs.) |
|------------------------------------------------------------|-----------------|
| <b>Authorised Share Capital</b>                            |                 |
| 6,00,00,000 Equity shares of Rs.10 each                    | 60,00,00,000    |
| 25,00,000 Preference shares of Rs.100 each                 | 25,00,00,000    |
| <b>TOTAL</b>                                               | 85,00,00,000    |
| <b>Issued, Subscribed and Fully Paid- up Share Capital</b> |                 |
| 5,45,34,670 equity shares of Rs.10 each, fully paid        | 54,53,46,700    |
| <b>TOTAL</b>                                               | 54,53,46,700    |

**B. Changes in its capital structure as on latest quarter end i.e., December 31, 2022, for the last three years:**

| Date (AGM / EGM) | Existing Capital | Revised Capital | Remark                                                                                                                              |
|------------------|------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 10/01/2018       | 50,00,00,000     | 85,00,00,000    | Equity Share Capital increased from Rs. 50,00,00,000 to Rs. 60,00,00,000 and Preference Share Capital increased to Rs. 25,00,00,000 |
| 06/05/2015       | 35,00,00,000     | 50,00,00,000    | Equity Share Capital increased from Rs. 35,00,00,000 to Rs. 50,00,00,000                                                            |
| 09/03/2013       | 30,00,00,000     | 35,00,00,000    | Equity Share Capital increased from Rs. 30,00,00,000 to Rs. 35,00,00,000                                                            |

**C. Equity Share Capital History of the Company as on latest quarter end i.e., December 31, 2022, for the last three years:**

| Date of Allotment | No of Equity Shares | Face Value (in Rs.) | Issue Price (in Rs.) | Consideration | Nature of Allotment | Cumulative Paid Up Capital |                               |                               | Remarks |
|-------------------|---------------------|---------------------|----------------------|---------------|---------------------|----------------------------|-------------------------------|-------------------------------|---------|
|                   |                     |                     |                      |               |                     | No of Equity Shares        | Equity Share Capital (in Rs.) | Equity Share Premium (in Rs.) |         |

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|            |                                                                                         |    |       |              |                    |             |                 |               |   |
|------------|-----------------------------------------------------------------------------------------|----|-------|--------------|--------------------|-------------|-----------------|---------------|---|
| 10.11.2022 | 18,75,603 fully paid up shares of Rs. 10 each                                           | 10 | 209   | 39,20,01,027 | Right Issue        | 5,45,34,670 | 54,53,46,700    | 143,08,81,745 | - |
| 31.03.2022 | 51,79,688 Partly paid up shares of Rs 8.10 paid up 3 <sup>rd</sup> and Final Call Money | 10 | 72.59 | 7,14,38,774  | Preferential Issue | 5,26,59,067 | 52,65,90,670    | 105,76,36,749 | - |
| 31.03.2021 | 51,79,688 Partly paid up shares of Rs 8.10 paid up 2 <sup>nd</sup> Call Money           | 10 | 72.59 | 10,15,18,259 | Preferential Issue | 5,26,59,067 | 51,67,49,262.80 | 99,92,89,377  | - |
| 31.03.2019 | 51,79,688 Partly paid up shares of Rs 5.40 paid up 1 <sup>st</sup> Call Money           | 10 | 72.59 | 10,15,18,259 | Preferential Issue | 5,26,59,067 | 50,27,64,106    | 91,17,56,276  | - |
| 22.01.2019 | 12,22,278                                                                               | 10 | 128   | 15,64,51,584 | Preferential Issue | 5,26,59,067 | 48,87,78,948    | 82,42,23,175  | - |
| 18.01.2019 | 7,30,847                                                                                | 10 | 128   | 9,35,48,416  | Preferential Issue | 5,14,36,789 | 47,65,56,168    | 67,99,94,371  | - |
| 17.01.2018 | 51,79,688 (Application Money)                                                           | 10 | 72.59 | 10,15,18,259 | Preferential Issue | 5,07,05,942 | 46,92,47,698    | 59,37,54,425  | - |
| 06/05/2015 | 80,13,375                                                                               | 10 | 31    | 24,84,14,625 | Rights Issue       | 4,55,26,254 | 45,52,62,540    | 50,62,21,324  | - |
| 30/09/2013 | 30,00,000                                                                               | 10 | 13    | 3,90,00,000  | Preferential Issue | 3,21,00,000 | 32,10,00,000    | 9,00,07,0000  | - |
| 18/03/2013 | 36,60,000                                                                               | 10 | 13.25 | 4,84,95,000  | Preferential Issue | 2,91,00,000 | 29,10,00,000    | 7,77,57,000   | - |
| 16/08/2012 | 68,50,000                                                                               | 10 | 13    | 8,90,50,000  | Preferential Issue | 254,40,000  | 25,44,00,000    | 6,58,63,000   | - |
| 21/03/2012 | 63,60,000                                                                               | 10 | 13    | 8,26,80,000  | Preferential Issue | 1,85,90,000 | 18,59,00,000    | 4,53,13,000   | - |

**Notes, if any: NIL**

**D. Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:** There has been no acquisition or amalgamation in the last 1 (one) year.

**E. Details of any Reorganization or Reconstruction in the last 1 (one) year:** Nil

**F. Details of the shareholding of the Company as on the latest quarter end, i.e., December 31, 2022**

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|    |                                                                                                      | Total no. of Equity shares | Total shareholding as % of total no. equity shares | No. of shares in demat form |
|----|------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------|-----------------------------|
| 1  | Gopala Kishan Prasad Vupputuri                                                                       | 1,98,53,581                | 36.41%                                             | 1,93,26,711                 |
| 2  | India Business Excellence- 11a                                                                       | 1,30,51,546                | 23.93%                                             | 1,30,51,546                 |
| 3  | IL and FS Trust Co Ltd (Trustee of Business Excellence Trust 11 - India Business Excellence Fund 11) | 78,04,018                  | 14.31%                                             | 78,04,018                   |
| 4  | Koganti Vasumathi Devi                                                                               | 26,47,266                  | 4.85%                                              | 26,47,266                   |
| 5  | Vupputuri Vasantha Lakshmi                                                                           | 24,91,794                  | 4.57%                                              | 24,91,794                   |
| 6  | Durga Rani Chunduri                                                                                  | 14,94,100                  | 2.74%                                              | 14,94,100                   |
| 7  | Vupputuri Raghu Ram                                                                                  | 18,00,670                  | 3.30%                                              | 18,00,670                   |
| 8  | Vupputuri Indira Devi                                                                                | 16,48,142                  | 3.02%                                              | 16,48,142                   |
| 9  | Amit Bhutra                                                                                          | 3,05,684                   | 0.56%                                              | 3,05,684                    |
| 10 | Ch.V.Rama Rao                                                                                        | 1,54,122                   | 0.28%                                              | 1,54,122                    |
| 11 | Vikas Gutgutia                                                                                       | 2,48,805                   | 0.46%                                              | 2,48,805                    |
| 12 | Sumit Jalan                                                                                          | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 13 | M/s. Futuregrow Spectrum Radiation Pvt. Ltd                                                          | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 14 | Mutual Industries Limited                                                                            | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 15 | Pravin Devendra Jain                                                                                 | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 16 | Robust Marketing Services Pvt Ltd                                                                    | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 17 | Autus Wealth Private Limited                                                                         | 47,847                     | 0.09%                                              | 47,847                      |
| 18 | Autus Corporate Mentors Private Limited                                                              | 47,847                     | 0.09%                                              | 47,847                      |
| 19 | Varun Satyanarayan Kabra                                                                             | 2,39,235                   | 0.44%                                              | 2,39,235                    |
| 20 | Sreenivas Nagappa & Srilatha Sreenivas                                                               | 95,694                     | 0.18%                                              | 95,694                      |
| 21 | Others                                                                                               | 14,08,144                  | 2.58%                                              | 13,07,091                   |
|    | <b>Total Equity Shares</b>                                                                           | <b>5,45,34,670</b>         | <b>100.00%</b>                                     | <b>5,39,06,747</b>          |

**G. List of top 10 holders of equity shares of the Company as on latest quarter end i.e., December 31, 2022:**

| S. No. | Name of the shareholders       | Total no. of Equity shares | No. of shares in demat form | Total shareholding as % of total no. equity shares |
|--------|--------------------------------|----------------------------|-----------------------------|----------------------------------------------------|
| 1      | Gopala Kishan Prasad Vupputuri | 1,98,53,581                | 1,93,26,711                 | 36.41%                                             |
| 2      | India Business Excellence- 11a | 1,30,51,546                | 1,30,51,546                 | 23.93%                                             |

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|    |                                                                                                      |                    |                    |                |
|----|------------------------------------------------------------------------------------------------------|--------------------|--------------------|----------------|
| 3  | IL and FS Trust Co Ltd (Trustee of Business Excellence Trust 11 - India Business Excellence Fund 11) | 78,04,018          | 78,04,018          | 14.31%         |
| 4  | Koganti Vasumathi Devi                                                                               | 26,47,266          | 26,47,266          | 4.85%          |
| 5  | Vupputuri Vasantha Lakshmi                                                                           | 24,91,794          | 24,91,794          | 4.57%          |
| 6  | Durga Rani Chunduri                                                                                  | 14,94,100          | 14,94,100          | 2.74%          |
| 7  | Vupputuri Raghu Ram                                                                                  | 18,00,670          | 18,00,670          | 3.30%          |
| 8  | Vupputuri Indira Devi                                                                                | 16,48,142          | 16,48,142          | 3.02%          |
| 9  | Amit Bhutra                                                                                          | 3,05,684           | 3,05,684           | 0.56%          |
| 10 | Ch.V.Rama Rao                                                                                        | 1,54,122           | 1,54,122           | 0.28%          |
| 11 | Vikas Gutgutia                                                                                       | 2,48,805           | 2,48,805           | 0.46%          |
| 12 | Sumit Jalan                                                                                          | 2,39,235           | 2,39,235           | 0.44%          |
| 13 | M/s. Futuregrow Spectrum Radiation Pvt. Ltd                                                          | 2,39,235           | 2,39,235           | 0.44%          |
| 14 | Mutual Industries Limited                                                                            | 2,39,235           | 2,39,235           | 0.44%          |
| 15 | Pravin Devendra Jain                                                                                 | 2,39,235           | 2,39,235           | 0.44%          |
| 16 | Robust Marketing Services Pvt Ltd                                                                    | 2,39,235           | 2,39,235           | 0.44%          |
| 17 | Autus Wealth Private Limited                                                                         | 47,847             | 47,847             | 0.09%          |
| 18 | Autus Corporate Mentors Private Limited                                                              | 47,847             | 47,847             | 0.09%          |
| 19 | Varun Satyanarayan Kabra                                                                             | 2,39,235           | 2,39,235           | 0.44%          |
| 20 | Sreenivas Nagappa & Srilatha Sreenivas                                                               | 95,694             | 95,694             | 0.18%          |
| 21 | Others                                                                                               | 14,08,144          | 13,07,091          | 2.58%          |
|    | <b>Total Equity Shares</b>                                                                           | <b>5,45,34,670</b> | <b>5,39,06,747</b> | <b>100.00%</b> |

#### 5.7 Following details regarding the directors of the Company:

##### A. Details of current directors of the Company\*:

This table sets out the details regarding the Company's Board of Directors as on date of the Placement Memorandum:

| Name of the Directors                              | Age | Address                                                                                                                          | DIN      | Director of the company since | Director in other company                                                                                         |
|----------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Vinit Mukesh Mehta (Nominee Director)              | 39  | 501, Satguru Towers, Central Avenue, Santacruz West, Mumbai 400054                                                               | 08792902 | 01-10-2020                    | Nil                                                                                                               |
| Gopala Kishan Prasad Vupputuri (Managing Director) | 73  | 59A-16-4/8 Ili Rd Road Plot No 77 3Rd Cross Road Near Sai Baba Temple R.T.C. Colony Viyaya Wada Urban Polytechnic Krishna 520008 | 01817992 | 30-05-1991                    | <ul style="list-style-type: none"> <li>IKF Infratech Private Limited</li> <li>IKF Home Finance Limited</li> </ul> |
| Vasumathi Devi Koganti                             | 47  | Villa 18 Aditya Fort Veiw Puppallaguda Pratibha High School                                                                      | 03161150 | 31-10-2006                    | <ul style="list-style-type: none"> <li>IKF Home Finance Limited</li> </ul>                                        |

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| Name of the Directors                             | Age | Address                                                                                                                     | DIN      | Director of the company since | Director in other company                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Wholetime Director)                              |     | Manikonda Puppalguda Puppalg Uda K V Ranga Reddy 500089                                                                     |          |                               |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Indira Devi Vupputuri<br>(Wholetime Director)     | 63  | 59A-16-4/8 New R.T.C. Colony Patamata Vijayawada 520008                                                                     | 03161174 | 30-05-1991                    | <ul style="list-style-type: none"> <li>IKF Infratech Private Limited</li> </ul>                                                                                                                                                                                                                                                                                                                                     |
| Satyanarayana Prasad Kanaparti<br>(Director)      | 71  | 8-3 - 318/11/32,33,34 Fno. 501, Jai Prakash Nagar Vishnu Nivas Ameerpet Hyderabad 500016                                    | 03598603 | 19-09-2011                    | <ul style="list-style-type: none"> <li>Hormigon Engineering And Infra Private Limited</li> </ul>                                                                                                                                                                                                                                                                                                                    |
| Vasanth Lakshmi Vupputuri<br>(Alternate Director) | 46  | Plot No 24 Aditya Fort Veiw Villas Shivalayam Road Near Prathibaha High School Manikonda P Uppalguda K V Ranga Reddy 500089 | 03610979 | 21-10-2015                    | <ul style="list-style-type: none"> <li>IKF Home Finance Limited</li> </ul>                                                                                                                                                                                                                                                                                                                                          |
| Satyanand Sinha Chunduri<br>(Director)            | 75  | 40-1-144, Corporate Centre MG Road Viajayawada 520010                                                                       | 03644504 | 10-02-1993                    | N.A.                                                                                                                                                                                                                                                                                                                                                                                                                |
| Nageswara Rao Yalamanchili                        | 61  | Flat No: 12, Dharani Apartments, Near Sai Baba Temple, Shiridi Nagar, Vijayawada, Krishna District, 520008 Andhra Pradesh   | 06651230 | 01.12.2021                    | <ul style="list-style-type: none"> <li>CAPITAL SMALL FINANCE BANK LIMITED</li> <li>IMFAST FINFOTECH PRIVATE LIMITED</li> <li>I25 OUTREACH PRIVATE LIMITED</li> </ul>                                                                                                                                                                                                                                                |
| Gopala Krishna Gurrappa                           | 66  | A2103, Lady Ratan Tower, Danik Shivner Marg, Gandhi Nagar, Worli, Mumbai-400018                                             | 06407040 | 30.09.2022                    | <ul style="list-style-type: none"> <li>YAARI DIGITAL INTEGRATED SERVICES LIMITED</li> <li>KRAZYBEE SERVICES PRIVATE LIMITED</li> <li>ICICI HOME FINANCE COMPANY LIMITED</li> <li>ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED</li> <li>AXIS MUTUAL FUND TRUSTEE LIMITED</li> <li>INVENT ASSETS SECURITISATION AND RECONSTRUCTION PRIVATE LIMITED</li> <li>RISK AND COMPLIANCE PROFESSIONALS</li> </ul> |

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| Name of the Directors        | Age | Address                                                                                         | DIN      | Director of the company since | Director in other company                                                                                                                                                                                                                                                                                                   |
|------------------------------|-----|-------------------------------------------------------------------------------------------------|----------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              |     |                                                                                                 |          |                               | ASSOCIATION                                                                                                                                                                                                                                                                                                                 |
| Sunil Rewachand Chandiramani | 54  | 163-A, Sky Scraper Building, 74, Bhulbhai Desai Road, Cumbhatta Hill, Mumbai, Maharastra-400026 | 00524035 | 30.09.2022                    | <ul style="list-style-type: none"> <li>• GANESH GRAINS LIMITED</li> <li>• VIGYANLABS INNOVATIONS PRIVATE LIMITED</li> <li>• UPDATER SERVICES LIMITED</li> <li>• DAVADOST PHARMA PRIVATE LIMITED</li> <li>• SAPPHIRE FOODS INDIA LIMITED</li> <li>• RUPA &amp; COMPANY LIMITED</li> <li>• DENAVE INDIA PRIVATE LI</li> </ul> |

\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: Nil

**B. Details of change in directors since last three years:**

| Name                                        | Designation                                       | DIN      | Date of Appointment/ Resignation | Director of the Company since(in case of resignation) | Remarks     |
|---------------------------------------------|---------------------------------------------------|----------|----------------------------------|-------------------------------------------------------|-------------|
| Sunkara Veerabhadra Rao                     | Independent Director                              | 01180981 | 10/02/2023                       | 30-12-2005                                            | Resigned    |
| Gopala Krishna Gurrappa                     | Additional Director (Non Executive & Independent) | 06407040 | 30/09/2022                       | -                                                     | Appointment |
| Sunil Chandiramani                          | Additional Director (Non Executive & Independent) |          | 30/09/2022                       | -                                                     | Appointment |
| Vinit Mukesh Mehta                          | Nominee Director                                  | 08792902 | 01/10/2020                       | -                                                     | Appointment |
| Vishal Tulsyan                              | Nominee Director                                  | 00139754 | 01/10/2020                       | 15/03/2019                                            | Resigned    |
| Vishal Kumar Gupta                          | Nominee Director                                  | 02368313 | 07/12/2018                       | 03/11/2015                                            | Resigned    |
| Vishal Tulsyan                              | Nominee Director                                  | 00139754 | 15/03/2019                       | -                                                     | Appointment |
| Ch.V.Rama Rao                               | Alternate Director                                | 03161194 | 13.01.2017                       | 21/10/2015                                            | Resigned    |
| Vupputuri Vasantha Lakshmi Vasantha Lakshmi | Alternate Director                                | 03610979 | 21/10/2015                       | -                                                     | Appointment |
| PSV.Prasada Rao                             | Director                                          | 02204359 | 13.01.2017                       | 19.09.2011                                            | Resigned    |
| Prasad J Athota                             | Director                                          | 03618655 | 13.01.2017                       | 10.02.1993                                            | Resigned    |
| N Harinadh                                  | Independent Director                              | 03161131 | 15/03/2019                       | 23.01.1992                                            | Resigned    |

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## 5.8 Following details regarding the auditors of the Company:

### A. Details of the auditor of the Company:

| Name                                                                                     | Address                                                                                 | Auditor Since |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------|
| M/s. SGCO & Co. LLP<br>(Firm Registration No. 112081W/W100184),<br>Chartered Accountants | 4A Kaledonia, 2nd Floor, Sahar Road, New Andheri Station, Andheri (East) Mumbai, 400069 | 30.11.2021    |

### B. Details of change in auditors since last three years:

| Name of the Auditor          | Address                                                                     | Date of Appointment | Date of Cessation, if applicable | Date of Resignation, if applicable |
|------------------------------|-----------------------------------------------------------------------------|---------------------|----------------------------------|------------------------------------|
| M/S.S.R. Batliboi & Co. LLP. | 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400028 | 30.09.2015          | 30.11.2021                       | 30.11.2021                         |

## 5.9 Details of following liabilities of the Company, as on latest quarter end December 31, 2022 or if available, a later date:

### A. Details of Outstanding Secured Loan Facilities:

| Name of Lender        | Type of Facility | Amount Sanctioned | Principal Amount Outstanding | Repayment date /schedule | Security                     |
|-----------------------|------------------|-------------------|------------------------------|--------------------------|------------------------------|
| Central Bank of India | OD/CC            | 95.00             | 64.75                        | NA                       | 115% Book Debts/ Receivables |
| Indian Overseas Bank  | OD/CC            | 47.00             | 32.03                        | NA                       | 110% Book Debts/ Receivables |
| IDBI Bank Limited     | OD/CC            | 20.00             | 14.79                        | NA                       | 115% Book Debts/ Receivables |
| Union Bank of India   | OD/CC            | 77.00             | 55.59                        | NA                       | 115% Book Debts/ Receivables |
| Punjab National Bank  | OD/CC            | 18.20             | 14.19                        | NA                       | 115% Book Debts/ Receivables |
| Federal Bank Limited  | OD/CC            | 15.00             | 10.94                        | NA                       | 115% Book Debts/ Receivables |
| HDFC Bank             | OD/CC            | 30.00             | 17.82                        | NA                       | 115% Book Debts/ Receivables |

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|                            |           |        |        |           |                                    |
|----------------------------|-----------|--------|--------|-----------|------------------------------------|
| Bandhan Bank               | OD/CC     | 5.00   | (0.02) | NA        | 110% Book Debts/<br>Receivables    |
| DCB Bank – WCDL            | WCDL      | 25.00  | 25.00  | NA        | 110% Book Debts/<br>Receivables    |
| Yes Bank – WCDL            | WCDL      | 16.00  | 16.00  | NA        | 116.67% Book Debts/<br>Receivables |
| State Bank of India        | Term Loan | 115.00 | 45.89  | 31-Mar-25 | 120% Book Debts/<br>Receivables    |
| Union Bank of India        | Term Loan | 25.00  | 3.72   | 01-Dec-23 | 110% Book Debts/<br>Receivables    |
| Bank of India – II         | Term Loan | 50.00  | 8.72   | 20-Dec-23 | 115% Book Debts/<br>Receivables    |
| Union Bank of India II     | Term Loan | 50.00  | 16.84  | 30-Sep-24 | 110% Book Debts/<br>Receivables    |
| Union Bank of India III    | Term Loan | 25.00  | 8.07   | 30-Sep-24 | 110% Book Debts/<br>Receivables    |
| HDFC Bank Limited – V      | Term Loan | 35.00  | 11.09  | 07-Feb-24 | 110% Book Debts/<br>Receivables    |
| Utkarsh Small Finance Bank | Term Loan | 15.00  | 2.30   | 04-Jun-23 | 110% Book Debts/<br>Receivables    |
| Bank of India – III        | Term Loan | 50.00  | 32.01  | 30-Apr-26 | 115% Book Debts/<br>Receivables    |
| Central Bank of India      | Term Loan | 30.00  | 19.50  | 31-Mar-26 | 115% Book Debts/<br>Receivables    |
| Federal Bank Limited       | Term Loan | 15.00  | 8.44   | 26-Mar-25 | 115% Book Debts/<br>Receivables    |
| State Bank of Maritius     | Term Loan | 20.00  | 8.33   | 31-Jan-24 | 110% Book Debts/<br>Receivables    |
| HDFC Bank Limited VI       | Term Loan | 25.00  | 15.57  | 07-Apr-25 | 110% Book Debts/<br>Receivables    |
| IDBI Bank Limited          | Term Loan | 20.00  | 11.25  | 31-Mar-26 | 110% Book Debts/<br>Receivables    |

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|                                    |           |       |       |           |                                 |
|------------------------------------|-----------|-------|-------|-----------|---------------------------------|
| HDFC Bank Limited VII              | Term Loan | 15.00 | 9.94  | 07-Jun-25 | 110% Book Debts/ Receivables    |
| Suryoday Small Finance Bank        | Term Loan | 20.00 | 12.21 | 05-Sep-24 | 110% Book Debts/ Receivables    |
| Bank of Maharashtra                | Term Loan | 25.00 | 17.99 | 30-Apr-25 | 115% Book Debts/ Receivables    |
| Dhanalaxmi Bank                    | Term Loan | 15.00 | 10.50 | 14-Sep-24 | 110% Book Debts/ Receivables    |
| DBS Bank                           | Term Loan | 30.00 | 19.09 | 30-Sep-24 | 115% Book Debts/ Receivables    |
| AU Small Finance Bank-III          | Term Loan | 50.00 | 31.94 | 03-Nov-24 | 110% Book Debts/ Receivables    |
| Federal bank Limited-II            | Term Loan | 15.00 | 11.26 | 29-Dec-25 | 115% Book Debts/ Receivables    |
| Ujjivan Small Finance Bank LTD-III | Term Loan | 20.00 | 12.78 | 30-Nov-24 | 110% Book Debts/ Receivables    |
| Yes Bank Limited                   | Term Loan | 30.00 | 20.00 | 30-Dec-24 |                                 |
| HDFC Bank –VIII                    | Term Loan | 15.00 | 11.98 | 07-Jan-26 | 110% Book Debts/ Receivables    |
| Dhanalaxmi Bank –II                | Term Loan | 25.00 | 20.00 | 31-Dec-24 | 116.67% Book Debts/ Receivables |
| Au Small Finance Bank IV           | Term Loan | 25.00 | 19.44 | 03-Apr-25 | 110% Book Debts/ Receivables    |
| Bank of Baroda                     | Term Loan | 50.00 | 40.63 | 25-Mar-26 | 115% Book Debts/ Receivables    |
| Woori Bank Limited II              | Term Loan | 30.00 | 23.33 | 07-Apr-25 | 110% Book Debts/ Receivables    |
| Utkarsh Small Finance Bank II      | Term Loan | 18.00 | 14.00 | 25-Apr-25 | 110% Book Debts/ Receivables    |
| Jana Small Finance Bank            | Term Loan | 50.00 | 42.75 | 03-Jul-25 | 110% Book Debts/ Receivables    |

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|                               |           |       |       |           |                              |
|-------------------------------|-----------|-------|-------|-----------|------------------------------|
| Central Bank of India - TL II | Term Loan | 50.00 | 45.00 | 30-Jun-27 | 110% Book Debts/ Receivables |
| Federal Bank TL – II          | Term Loan | 25.00 | 21.88 | 23-Jun-26 | 115% Book Debts/ Receivables |
| CSB Bank Ltd                  | Term Loan | 30.00 | 25.00 | 30-Jun-25 | 110% Book Debts/ Receivables |
| IDFC First Bank Ltd TL        | Term Loan | 75.00 | 70.45 | 04-Jul-25 | 110% Book Debts/ Receivables |
| Karnataka Bank Ltd            | Term Loan | 25.00 | 23.44 | 30-Jul-26 | 110% Book Debts/ Receivables |
| Kotak Mahindra Bank           | Term Loan | 25.00 | 23.25 | 02-Sep-26 | 110% Book Debts/ Receivables |
| Indian Overseas Bank          | Term Loan | 50.00 | 50.00 | 31-Mar-28 | 110% Book Debts/ Receivables |
| UCO Bank                      | Term Loan | 50.00 | 49.98 | 31-Aug-27 | 110% Book Debts/ Receivables |
| SIDBI VI                      | Term Loan | 90.00 | 45.90 | 10-Aug-25 | 110% Book Debts/ Receivables |
| Bank of Maharashtra II        | Term Loan | 50.00 | 49.97 | 01-Sep-26 | 115% Book Debts/ Receivables |
| Indian Bank                   | Term Loan | 75.00 | 71.25 | 28-Sep-27 | 110% Book Debts/ Receivables |
| Bandhan Bank                  | Term Loan | 70.00 | 63.64 | 01-Jul-25 | 110% Book Debts/ Receivables |
| Karur Vyasya Bank             | Term Loan | 25.00 | 25.00 | 27-Mar-27 | 110% Book Debts/ Receivables |
| DBS Bank II                   | Term Loan | 30.00 | 30.00 | 31-Dec-25 | 110% Book Debts/ Receivables |
| AU Small Finance V            | Term Loan | 30.00 | 30.00 | 18-Jan-26 | 110% Book Debts/ Receivables |
| Manappuram Finance Limited    | Term Loan | 30.00 | 2.31  | 31-Mar-23 | 110% Book Debts/ Receivables |

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|                                          |           |       |       |           |                              |
|------------------------------------------|-----------|-------|-------|-----------|------------------------------|
| Nabkisan Finance Limited                 | Term Loan | 20.00 | 3.29  | 01-Feb-23 | 110% Book Debts/ Receivables |
| Maanaveeya Development & Finance Pvt Ltd | Term Loan | 15.00 | 0.91  | 28-Feb-23 | 110% Book Debts/ Receivables |
| Nabkisan Finance Limited II              | Term Loan | 35.00 | 26.25 | 01-Feb-25 | 110% Book Debts/ Receivables |
| Mudra                                    | Term Loan | 25.00 | 18.10 | 01-Mar-25 | 110% Book Debts/ Receivables |
| Sundaram Finance Limited -8              | Term Loan | 25.00 | 19.36 | 22-Mar-25 | 115% Book Debts/ Receivables |
| Bajaj Finance Ltd                        | Term Loan | 35.00 | 34.03 | 27-Oct-25 | 110% Book Debts/ Receivables |
| Mahindra & Mahindra Finance              | Term Loan | 40.00 | 38.08 | 27-Oct-25 | 110% Book Debts/ Receivables |
| Aditya Birla                             | Term Loan | 25.00 | 25.00 | 30-Jan-26 | 110% Book Debts/ Receivables |
| Mudra II                                 | Term Loan | 50.00 | 50.00 | 10-Oct-25 | 110% Book Debts/ Receivables |

**B. Details of Outstanding Unsecured Loan Facilities as on December 31, 2022: NIL**

**C. Details of Non-Convertible Debentures as on December 31, 2022:**

| Debenture Series                   | Tenor (Months) | Coupon (%) | Amount | Date of allotment | Redemption Date/ Schedule | Credit Rating | Secured/ Unsecured | Security                     |
|------------------------------------|----------------|------------|--------|-------------------|---------------------------|---------------|--------------------|------------------------------|
| Secured NCDs - State Bank Of India | 33             | 9.75 %     | 50     | 20-Jun-20         | 21-Apr-23                 | CARE A Stable | Secured            | 125% Receivables /Book Debts |
| Secured NCDs-Bank of India         | 24             | 9.00 %     | 50     | 30-Sep-21         | 06-Dec-23                 | CARE A Stable | Secured            | 110% Receivables /Book Debts |
| Unsecured NCDs - Unifi AIF – 2     | 36             | 12.07 %    | 2.5    | 30-Jan-20         | 30-Jan-23                 | BWR A/Stable  | Unsecured          |                              |

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| Debenture Series                | Tenor (Months) | Coupon (%) | Amount | Date of allotment | Redemption Date/Schedule | Credit Rating        | Secured/Unsecured | Security |
|---------------------------------|----------------|------------|--------|-------------------|--------------------------|----------------------|-------------------|----------|
|                                 |                |            |        |                   |                          | ble                  |                   |          |
| Unsecured NCDs - Unifi AIF – 3  | 24             | 9.96 %     | 30     | 30-Sep-21         | 30-Sep-23                | CARE PP-MLD A Stable | Unsecured         |          |
| IFMR Capital Finance Limited -2 | 66             | 14.00 %    | 20     | 18-Jan-20         | 02-Sep-25                | BWR A/Stable         | Unsecured         |          |
| IFMR Capital Finance Limited -3 | 72             | 13.25 %    | 25     | 19-Jan-21         | 20-Jul-26                | CARE A Stable        | Unsecured         |          |
| Piramal Capital                 | 67             | 13.85 %    | 140    | 27-Oct-22         | 28-Apr-28                | CARE A Stable        | Unsecured         |          |

**D. List of Top 10 Debenture Holders (as on December 31, 2022)**

| Sr. No | Name of Debenture Holder | Amount (Rs in Crores) | % of total NCS outstanding |
|--------|--------------------------|-----------------------|----------------------------|
| 1.     | Piramal Capital          | 140                   | 100                        |
| 2.     | State Bank of India      | 50                    | 100                        |
| 3.     | Bank of India            | 50                    | 100                        |
| 4.     | Unifi AIF                | 30                    | 100                        |
| 5.     | Northern Arc Capital Ltd | 25                    | 100                        |
| 6.     | Northern Arc Capital Ltd | 20                    | 100                        |
| 7.     | Unifi AIF                | 2.50                  | 16.66                      |

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided

**E. Details of outstanding Commercial Paper (as on December 31, 2022: NIL)**

**F. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2022: NIL**

**5.10 Details of any outstanding borrowings taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken / issued:**

- i. in whole or part: Nil
- ii. at a premium or discount: Nil
- iii. in pursuance of an option: Nil

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

- 5.11 Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

Annexed herewith as **Annexure VII**

- 5.12 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 (Three) years including the current financial year.**

Nil

- 5.13 Any material event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities:**

Nil

- 5.14 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of this Placement Memorandum against the promoter of the Issuer:**

Nil

- 5.15 Details of default and non-payment of statutory dues:**

Nil

- 5.16 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.**

The Debenture Trustee of the proposed Debentures is Vardhman Trusteeship Private Limited. The Debenture Trustee has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

- 5.17 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

*The Debentures shall be unsecured. However, the Debentures shall be backed by way of unconditional and irrevocable personal guarantees to be provided by the Guarantors i.e. Mr. V G K Prasad & Mrs. Indira Devi , pursuant to the deed of personal guarantees, in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders) to be executed in a form and manner satisfactory to the Debenture Trustee.*

- 5.18 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention:**

As set out in **Annexure VI**

**5.19 Details of Promoters of the Company:**

Please refer to the Cover Page of this Placement Memorandum

**5.20 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (valid as on the date of issuance and date of listing of the Debentures).**

The Rating Agency has assigned ratings of "CARE A; Stable" (pronounced as "CARE Single A; Outlook: Stable") to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter and rationale from the Rating Agency is provided in **Annexure II** of this Placement Memorandum.

**5.21 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

**5.22 Disclosures pertaining to wilful defaulter**

Please refer to SECTION 6: of this Placement Memorandum for details

**5.23 Risk Factors**

Please refer to SECTION 3: of this Placement Memorandum for details.

**5.24 Other details:**

**A. Debenture Redemption Reserve Creation:**

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

**B. Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable RBI guidelines including any circular(s) / notifications(s) issued by the RBI.

**C. Default in Payment:**

As provided under paragraph 5.29 of this Placement Memorandum

**D. Delay in Listing:**

As provided under paragraph 5.29 of this Placement Memorandum.

**E. Delay in allotment of securities:**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

As provided under paragraph 5.29 of this Placement Memorandum.

**F. Issue Details:**

As set out in **Annexure I**

**G. Application Process**

The application process for the Issue is as provided in SECTION 9: of this Placement Memorandum.

**H. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

Please refer to SECTION 7: of this Placement Memorandum.

**I. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

NA

**5.25 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

| Sr. No. | Nature of Contract                                                                                                                                                                                                                                                              |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Certified true copy of the Memorandum & Articles of Association of the Issuer.                                                                                                                                                                                                  |
| 2       | Resolution passed by the shareholders of the Company at the Annual General Meeting, under Section 42 of the Companies Act, held on September 30, 2022 authorizing the issue/offer of non-convertible debentures by the Company for an amount aggregating upto Rs. 2,000 Crores. |
| 3       | Resolution passed by the shareholders of the Company at the Annual General Meeting, under Section 180(1)(c) of the Companies Act, held on September 30, 2022 authorizing the Board of Directors to borrow monies for an aggregate amount not exceeding Rs. 5,000 Crores.        |
| 4       | Board Resolution dated July 21, 2021 authorizing the Management Committee of the Board of Directors to deal with issuance of non-convertible debentures within the overall limit of Rs. 2,000 Crores.                                                                           |
| 5       | Resolution of the Management Committee of the Board of Directors of the Company dated March 17, 2023, authorising the issue of Debentures by the Company and <i>inter alia</i> approving the terms of the Debentures.                                                           |
| 6       | Copies of Annual Reports of the Company for the last three financial years.                                                                                                                                                                                                     |
| 7       | Credit rating letter from the Rating Agency dated March 16, 2023.                                                                                                                                                                                                               |
| 8       | Letter from Vardhman Trusteeship Private Limited dated March 04, 2023 bearing reference number CL/MUM/22-23/DEB/167 giving its consent to act as Debenture Trustee.                                                                                                             |
| 9       | Letter for Register and Transfer Agent as attached herewith in Annexure XIII.                                                                                                                                                                                                   |
| 10      | Certified true copy of the certificate of incorporation of the Company.                                                                                                                                                                                                         |
| 11      | Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL/CDSL dated January 25, 2001 and June 12, 2001 respectively.                                                                                                        |
| 12      | Copy of application made to BSE for grant of in-principle approval for listing of Debentures.                                                                                                                                                                                   |

**5.26 Details of Debt Securities Sought to be Issued**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Under the purview of the current document, the Issuer intends to issue up to 7000 (seven thousand) unsecured, rated, listed, redeemable, unsubordinated, non-convertible debentures of face value of Rs. 1,00,000/- (rupees one lakh only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) comprising of base issue of INR 20,00,000 (Indian Rupees Twenty Crores only) and green shoe option of INR 50,00,000 (Indian rupees fifty crores only) ("**Green Shoe Option**") on a private placement basis (the "**Issue**"). , on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in paragraph 5.29 of this Placement Memorandum.

#### 5.27 Issue Size

The aggregate issue size for the Debentures is Rs. 70,00,00,000/- (Rupees Seventy Crores only)

#### 5.28 Utilization of the Issue Proceeds

The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated above. No part of the proceeds from the Issue will be used towards:

- i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities;
- ii. any speculative purposes;
- iii. investment in the real estate sector; or
- iv. in contravention of any applicable law

#### 5.29 Issue Details-

| Particulars                                                                                           | Terms and Conditions                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Security Name</b>                                                                                  | <b>10.60% IKF FINANCE LIMITED 2025</b>                                                                                                                                                                                                                                                                                                                                                              |
| <b>Borrower/Issuer</b>                                                                                | IKF Finance Limited                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Type &amp; Nature of the Instrument</b>                                                            | Privately placed, Rated, Unsecured, Taxable, Listed, Redeemable, Non-Convertible Debentures                                                                                                                                                                                                                                                                                                         |
| <b>Seniority</b>                                                                                      | Unsubordinated                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Mode of Issue</b>                                                                                  | Private Placement                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Eligible Investors</b>                                                                             | The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (" <b>Eligible Investors</b> "):            |
| <b>Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)</b> | The Debentures are to be listed on the WDM of the BSE within a maximum period of 3 (three) trading days from the date of closure of the Issue for the Debentures.<br>The Company shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 3 (three) working days from the date of closing of the Issue till the listing of such Debentures; |
| <b>Rating of Instrument</b>                                                                           | <b>CARE A</b>                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Option to retain oversubscription</b>                                                              | Up to 5000 (Five Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating upto Rs.50,00,00,000/- (Rupees Fifty Crores only) to be issued on private placement basis.                                                                                                       |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Issue Size                                                                                        | Rs. 70 Crore (Rupees Seventy Crore Only).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--|------------------------|------------------------|---------------------------------|---|--------------|-------|---|-------------------|-------|---|------------------|-------|---|---------------|-------|---|--------------|-------|---|-------------------|-------|---|------------------|-----|---|---------------|-----|
| Minimum Subscription                                                                              | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Objects of the Issue                                                                              | The proceeds of the Issue will be utilized for the ongoing business purposes of the Company and for General corporate purposes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Details of the utilization of the Proceeds                                                        | <p>To raise debt to the extent of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) for ongoing business purposes of the Company and for General corporate purposes •</p> <p>The proceeds of the Debentures will not be utilised for:</p> <p>i. any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;</p> <p>ii. any speculative purposes;</p> <p>iii. investment in the real estate sector;</p> <p>iv. in contravention of any guidelines, rules or regulations of the SEBI applicable to non-banking financial companies related to private placement of the debentures.</p> <p>PROVIDED HOWEVER, the Company shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 15 (fifteen) calendar days from the Deemed Date of Allotment, if so permitted under applicable Law.</p> |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Coupon Rate                                                                                       | 10.60% (ten decimal six zero per cent) per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Step Up/ Step Down Coupon Rate                                                                    | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Coupon Payment Frequency                                                                          | Quarterly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Coupon Payment Dates                                                                              | <table><tr><th>Redemption Instalments</th><th>Interest payment dates</th><th>Interest per Debenture (in INR)</th></tr><tr><td>1</td><td>27 June 2023</td><td>2,672</td></tr><tr><td>2</td><td>27 September 2023</td><td>2,338</td></tr><tr><td>3</td><td>27 December 2023</td><td>1,982</td></tr><tr><td>4</td><td>27 March 2024</td><td>1,652</td></tr><tr><td>5</td><td>27 June 2024</td><td>1,336</td></tr><tr><td>6</td><td>27 September 2024</td><td>1,002</td></tr><tr><td>7</td><td>27 December 2024</td><td>661</td></tr><tr><td>8</td><td>27 March 2025</td><td>327</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                |                                 |  | Redemption Instalments | Interest payment dates | Interest per Debenture (in INR) | 1 | 27 June 2023 | 2,672 | 2 | 27 September 2023 | 2,338 | 3 | 27 December 2023 | 1,982 | 4 | 27 March 2024 | 1,652 | 5 | 27 June 2024 | 1,336 | 6 | 27 September 2024 | 1,002 | 7 | 27 December 2024 | 661 | 8 | 27 March 2025 | 327 |
| Redemption Instalments                                                                            | Interest payment dates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Interest per Debenture (in INR) |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 1                                                                                                 | 27 June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2,672                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 2                                                                                                 | 27 September 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2,338                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 3                                                                                                 | 27 December 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,982                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 4                                                                                                 | 27 March 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1,652                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 5                                                                                                 | 27 June 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1,336                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 6                                                                                                 | 27 September 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1,002                           |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 7                                                                                                 | 27 December 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 661                             |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| 8                                                                                                 | 27 March 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 327                             |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Coupon Type (Fixed, floating or other structure)                                                  | Fixed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.). | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |  |                        |                        |                                 |   |              |       |   |                   |       |   |                  |       |   |               |       |   |              |       |   |                   |       |   |                  |     |   |               |     |

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| Day Count Basis                                                                           | Actual/Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--|------------------------|-----------------|----------------------------------------------|---|--------------|--------|---|-------------------|--------|---|------------------|--------|---|---------------|--------|---|--------------|--------|---|-------------------|--------|---|------------------|--------|---|---------------|--------|
| Interest on Application Money                                                             | (a) Fixed coupon at Interest Rate or (b) the rate as per applicable Law, whichever is higher. Interest on Application Money shall be to the Applicants (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form                                                                                                                                                                                                                                   |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Default Interest Rate                                                                     | <p><i>Event of Default</i></p> <p>If, at any time, there shall be a payment default or any other Event of Default, the Company agrees to pay an additional interest rate of 2% per annum over and above the Interest Rate until such Payment Default or Event of Default is cured</p> <p><i>Delay in execution of Debenture Trust Deed</i></p> <p>If not already executed, the Company shall execute the Debenture Trust Deed within the timelines prescribed by SEBI. In case of a delay in execution of Debenture Trust Deed, the Company will pay penal interest of at least 2% p.a. (two percent per annum) over the Coupon Rate till the execution of Debenture Trust Deed.</p> <p><i>Breach of Covenants:</i></p> <p>The Issue shall pay default interest at 2% (Two percent) per annum over the Interest Rate in the event of breach of other covenants. The aforesaid Default Interest for breach of covenants will be accrued from the date of such breach of covenants but be payable only if after the following process is completed:</p> |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Tenor                                                                                     | 24 months from the deemed date of allotment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Redemption Date                                                                           | March 27, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Redemption Amount                                                                         | <p>Debentures shall be redeemed at par</p> <table><tr><th>Redemption Instalments</th><th>Redemption Date</th><th>Amount to be redeemed per Debenture (in INR)</th></tr><tr><td>1</td><td>27 June 2023</td><td>12,500</td></tr><tr><td>2</td><td>27 September 2023</td><td>12,500</td></tr><tr><td>3</td><td>27 December 2023</td><td>12,500</td></tr><tr><td>4</td><td>27 March 2024</td><td>12,500</td></tr><tr><td>5</td><td>27 June 2024</td><td>12,500</td></tr><tr><td>6</td><td>27 September 2024</td><td>12,500</td></tr><tr><td>7</td><td>27 December 2024</td><td>12,500</td></tr><tr><td>8</td><td>27 March 2025</td><td>12,500</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                           |                                              |  | Redemption Instalments | Redemption Date | Amount to be redeemed per Debenture (in INR) | 1 | 27 June 2023 | 12,500 | 2 | 27 September 2023 | 12,500 | 3 | 27 December 2023 | 12,500 | 4 | 27 March 2024 | 12,500 | 5 | 27 June 2024 | 12,500 | 6 | 27 September 2024 | 12,500 | 7 | 27 December 2024 | 12,500 | 8 | 27 March 2025 | 12,500 |
| Redemption Instalments                                                                    | Redemption Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Amount to be redeemed per Debenture (in INR) |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 1                                                                                         | 27 June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 2                                                                                         | 27 September 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 3                                                                                         | 27 December 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 4                                                                                         | 27 March 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 5                                                                                         | 27 June 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 6                                                                                         | 27 September 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 7                                                                                         | 27 December 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| 8                                                                                         | 27 March 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 12,500                                       |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Issue Price                                                                               | At Par                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Face Value                                                                                | Rs. 1,00,000/- per debenture instrument                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Discount at which security is issued and the effective yield as a result of such discount | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Put Date                                                                                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |
| Put Price                                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                              |  |                        |                 |                                              |   |              |        |   |                   |        |   |                  |        |   |               |        |   |              |        |   |                   |        |   |                  |        |   |               |        |

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|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Call Date</b>                                                          | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Call Price</b>                                                         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Put Notification Time</b>                                              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Call Notification Time</b>                                             | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Minimum Application and in multiples of Debt securities thereafter</b> | 100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Issue Timing</b>                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1. Issue Opening Date                                                     | March 24, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2. Issue Closing Date                                                     | March 24, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3. Pay-in Date                                                            | March 27, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 4. Deemed Date of Allotment                                               | March 27, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Issuance mode of the Instrument</b>                                    | Dematerialised form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Trading Mode of the Instrument</b>                                     | Dematerialised form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Settlement mode of the Instrument</b>                                  | Dematerialised form, the funds shall be settled through electronic payment mechanism (RTGS/NEFT) and Cheques                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Depository</b>                                                         | NSDL and CDSL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Business Day Convention</b>                                            | <ul style="list-style-type: none"> <li>i. If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</li> <li>ii. If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</li> <li>iii. If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</li> </ul> |
| <b>Disclosure of Interest / Dividend / Redemption Dates</b>               | Please refer to the column on "Coupon Payment Dates" and "Interest Payment Dates" under this Section 5.39(Issue Details).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Record Date</b>                                                        | The date, as may be fixed by the Company, which will be 15 Calendar Days prior to the Final Redemption date on which the determination of the persons entitled to receive Redemption Amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>All covenants of the issue (including side letters, accelerated</b>    | Refer Section 8 of this Placement Memorandum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| <b>payment clause, etc.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Offer Document/ Information Memorandum</b> | Debentures are unsecured                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Delay in security creation/execution of DTD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                | Debentures are unsecured                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Due Diligence Certificate by the Debenture Trustee</b>                                                                                                                                                                                                                                                                                                                                                                                                                         | The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto as <b>Annexure VI</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Transaction Documents</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Including but not limited to the following documents:<br>1. Debenture Trust Deed<br>2. Debenture Trustee Appointment Agreement;<br>3. Deed of Guarantee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Conditions Precedent to Disbursement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>(i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee.</li> <li>(ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed.</li> <li>(iii) Execution of Transaction Documents;</li> <li>(iv) Identification of Hypothecated Assets for purpose of security creation in terms of the</li> </ul> |

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|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | <p>Transaction Documents.</p> <p>(v) Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'CARE A' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee;</p> <p>(vi) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-</p> <ol style="list-style-type: none"> <li>the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures;</li> <li>the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded;</li> <li>no Material Adverse Effect has occurred in the Company, and/or the business of the Company;</li> <li>there are no Event of Default, any potential Event of Default, any force majeure event;</li> <li>all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and</li> </ol> <p>(vii) Due execution of the Depository Agreements by, inter-alia, the Depository and the Company;</p> <p>(viii) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company;</p> <p>(ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(x) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.</p> <p>(xi) Copy of the Disclosure Documents.</p> <p>(xii) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures;</p> |
| <b>Conditions Subsequent to Disbursement</b> | <p>Subsequent to subscription of the Debentures, the Company shall deliver to the Debenture Trustee (and within the timelines specified below):</p> <ol style="list-style-type: none"> <li>the Company shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under SEBI Operational Circular;</li> <li>the record of private placement offers maintained by the Company, including the offer of the Debentures, in Form PAS – 5, on the Deemed Date of Allotment;</li> <li>the details of the depository accounts of the Debenture Holders with the Depositories confirming that such account has been credited with the relevant Debentures as soon as possible but in event within 2 (two) Business Days from the closure of the Issue;</li> <li>the return of allotment in Form PAS – 3, along with a complete list of allottees and containing the prescribed particulars, filed with the relevant Registrar of Companies within 15 (fifteen) days of the Deemed Date of Allotment of the Debentures;</li> <li>evidence that the Security shall have been perfected in a form and manner acceptable the Issuer shall cause the Guarantors to submit their respective Net worth Certificate certified by a reputed practicing Chartered Accountant of the Guarantors</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                       | <p>in the format as acceptable to the Debenture Trustee within 7 (Seven) Business Days from the time of execution of the Deed of Guarantee not older than 6 months from the date of debenture trustee agreement;</p> <p>(f) comply with such other condition and provide such other information and documents and execute such documents as are customary for a financing similar to the issuance of the Debentures or as the Debenture Holders may reasonably request or as may be required under Applicable Law (including without limitation, the Act, and any guidelines/circulars issued by the SEBI).</p>                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b> | Refer to Section 10 of this Disclosure Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Creation of recovery expense fund</b>                                                              | <p>Details and purpose of the recovery expense fund</p> <p>The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular.</p> <p>The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents.</p> <p>The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents.</p> <p>On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.</p> |
| <b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>                      | Refer to Section 10 of this Disclosure Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Provisions related to Cross Default Clause</b>                                                     | Refer to Section 10 of this Disclosure Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Role and Responsibilities of Debenture Trustee</b>                                                 | To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Risk factors pertaining to the issue</b>                                                           | Refer to Section 3 of the Disclosure Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Governing Law and</b>                                                                              | Indian laws. Non-exclusive jurisdiction of the courts of Chennai                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|              |    |
|--------------|----|
| Jurisdiction |    |
| Commission   | NA |

**Note:**

**Note:**

**1. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.**

**2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.**

**3. The penal interest rates mentioned above as payable by the Issuer are independent of each other.**

**4. The debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.** While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.: Not applicable

**5. The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".**

To raise debt to the extent of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) for the following purposes of ongoing business purposes of the Company. The proceeds of the Issuance will be utilized for General corporate purposes .

The proceeds of the Debentures will not be utilised for:

- i. any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;
- ii. any speculative purposes;
- iii. investment in the real estate sector;
- iv. in contravention of any guidelines, rules or regulations of the SEBI applicable to non-banking financial companies related to private placement of the debentures

PROVIDED HOWEVER, the Company shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 15 (fifteen) calendar days from the Deemed Date of Allotment, if so permitted under applicable Law.

- A. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.: **Not applicable as Debentures were unsecured.**

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- B. Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Debenture Trust Deed/ Disclosure Document, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the Debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in SEBI NCS Regulations from debenture trustee confirming creation of charge and execution of the Debenture Trust Deed.
- C. In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.
- D. Future Borrowings  
The Company shall be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee in this connection. However, no such borrowings will have the benefit of the security interest created over the Hypothecated Assets and granted to the Debenture Trustee and Debenture Holders under the Transaction Documents. Notwithstanding anything contained in this Clause, the Company shall continue to comply with the financial covenants set forth in Schedule IX (Financial Covenants).

The Company further confirms and undertakes that it would not create or attempt to create any further charge/encumbrance on the Hypothecated Assets in favour of other lenders or any part thereof, without the consent of the Debenture Trustee/Debenture Holders. The Company hereby agree and undertake to ensure that security cover for the existing borrowings will not go down at any point of time till they are finally redeemed in full.- Not Applicable

## Part B: Disclosures under the Operational Circular

In addition to the Disclosures provided in Part A above, and **Annexure VII** below, the Issuer is required to provide the following disclosures under the Operational Circular

- (i) A portfolio summary with regard to industries/ sectors to which borrowings have been made;

Borrowing profile March 31, 2022  
(Rs. in Crores)

| Particulars                       | As on March 31, 2022 | As on 31 March 2021 |
|-----------------------------------|----------------------|---------------------|
| Senior secured notes              | 0.00                 | 0.00                |
| Secured NCD                       | 113.70               | 319.26              |
| External commercial bond -Secured | 0.00                 | 0.00                |
| Unsecured NCD                     | 38.17                | 17.62               |
| Subordinated Debt                 | 60.03                | 59.87               |
| Term Loans from Banks             | 705.56               | 524.72              |
| ICD                               | 0.00                 | 0.00                |
| Loans from Institutions           | 53.44                | 0.00                |
| External commercial borrowing     | 0.00                 | 0.00                |
| Fixed Deposit                     | 0.00                 | 0.00                |
| Cash Credit                       | 326.91               | 264.72              |
| Securitisation                    | 8.72                 | 68.12               |
| <b>Total</b>                      | <b>1306.53</b>       | <b>1254.31</b>      |

| Borrowing details        | As on March 31, 2022 | As on March 31, 2021 |
|--------------------------|----------------------|----------------------|
| <b>Category</b>          | <b>Amount in Cr</b>  |                      |
| Borrowings in India      | 1306.53              | 1254.31              |
| Borrowings outside India | 0.00                 | 0.00                 |
| <b>Total</b>             | <b>1306.53</b>       | <b>1254.31</b>       |

- (ii) NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer.

| Sr. No. | Particulars (Rs. in Crs)  | Mar22   | Mar-21  | Mar-20  |
|---------|---------------------------|---------|---------|---------|
| 1       | Gross Stage 3             | 43.38   | 42.76   | 34.91   |
| 2       | ECL Provision Stage 3     | 14.65   | 12.08   | 10.05   |
| 3       | Net Stage 3               | 28.73   | 30.68   | 24.86   |
| 4       | Gross Stage 1 & 2         | 1550.06 | 1391.28 | 1262.19 |
| 5       | ECL Provision Stage 1 & 2 | 15.53   | 20.34   | 26.67   |
| 6       | Net Stage 1 & 2           | 1534.53 | 1370.94 | 1235.52 |

- (iii) Quantum and percentage of secured vis-à-vis unsecured borrowings made; and

Secured Borrowings - Rs. 1208.33 Cr – 92.48%

Unsecured Borrowings - Rs. 98.20 Cr – 7.52%

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Total - Rs. 1306.53 Cr- 100.00 %

- (iv) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI.

No change beyond the threshold limit.

- (v) Type of Loans as on March 31, 2022:

| Sr. No. | Type of Loans                         | Rs. (in crore) | Percentage |
|---------|---------------------------------------|----------------|------------|
| 1       | Secured                               | 1593.44        | 100.00%    |
| 2       | Unsecured                             | 0.00           | 0.00       |
|         | Total assets under management (AUM)*^ | 1742.27        |            |

\*Information required at borrower level (and not by loan account as customer may have multiple loan accounts);

^Issuer is also required to disclose off balance sheet items;

- (vi) Denomination of loans outstanding by loan-to-value as on March 31, 2022:

| Sr. No. | LTV (at the time of origination) | Percentage of AUM March 22 | Percentage of AUM March 21 |
|---------|----------------------------------|----------------------------|----------------------------|
| 1       | Upto 50%                         | 5.15%                      | 7.39%                      |
| 2       | 50%-60%                          | 5.65%                      | 7.57%                      |
| 3       | 60%-70%                          | 47.11%                     | 47.43%                     |
| 4       | 70%-80%                          | 26.06%                     | 25.10%                     |
| 5       | 80%-90%                          | 13.59%                     | 11.31%                     |
| 6       | >90%                             | 2.44%                      | 1.20%                      |
|         | <b>Total</b>                     | <b>100.00%</b>             | <b>100.00%</b>             |

- (vii) Sectoral Exposure as on March 31, 2022:

| Sr. No.  | Segment-wise break-up of AUM                                  | Percentage of AUM March 22 | Percentage of AUM March 21 |
|----------|---------------------------------------------------------------|----------------------------|----------------------------|
| <b>1</b> | <b>Retail</b>                                                 |                            |                            |
| A        | Mortgages (home loans and loans against property)             | 1.62%                      | 2.36%                      |
| B        | Gold loans                                                    | 0.00%                      | 0.00%                      |
| C        | Vehicle finance                                               | 81.16%                     | 86.05%                     |
| D        | MFI                                                           | 0.00%                      | 0.00%                      |
| E        | MSME                                                          | 0.00%                      | 0.00%                      |
| F        | Capital market funding (loans against shares, margin funding) | 0.00%                      | 0.00%                      |
| G        | Others                                                        | 17.22%                     | 11.59%                     |
| <b>2</b> | <b>Wholesale</b>                                              |                            |                            |
| A        | Infrastructure                                                | 0.00%                      | 0.00%                      |
| B        | Real estate (including builder loans)                         | 0.00%                      | 0.00%                      |
| C        | Promoter funding                                              | 0.00%                      | 0.00%                      |
| D        | Any other sector (as applicable)                              | 0.00%                      | 0.00%                      |
| E        | Others                                                        | 0.00%                      | 0.00%                      |
|          | <b>Total</b>                                                  | <b>100.00</b>              | <b>100.00</b>              |

- (viii) Denomination of loans outstanding by ticket size as on March 31, 2022\*:

| Sr. No. | Ticket size (at the time of origination) | Percentage of AUM | Percentage of AUM |
|---------|------------------------------------------|-------------------|-------------------|
|---------|------------------------------------------|-------------------|-------------------|

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|   |                       | March 22      | March 21      |
|---|-----------------------|---------------|---------------|
| 1 | Upto Rs. 2 lakh       | 10.54%        | 9.24%         |
| 2 | Rs. 2-5 lakh          | 23.77%        | 24.01%        |
| 3 | Rs. 5 - 10 lakh       | 22.76%        | 24.70%        |
| 4 | Rs. 10 - 25 lakh      | 14.91%        | 15.50%        |
| 5 | Rs. 25 - 50 lakh      | 4.38%         | 4.48%         |
| 6 | Rs. 50 lakh - 1 crore | 3.29%         | 4.14%         |
| 7 | > Rs. 1 crore         | 20.36%        | 17.94%        |
|   | <b>Total</b>          | <b>100.00</b> | <b>100.00</b> |

\*Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

(ix) Geographical classification of borrowers as on March 31, 2022:

| Sr. No. | Top 5 states   | Percentage of AUM |
|---------|----------------|-------------------|
| 1       | Andhra Pradesh | 33.83%            |
| 2       | Telangana      | 23.57%            |
| 3       | Gujarat        | 14.04%            |
| 4       | Tamil Nadu     | 10.71%            |
| 5       | Maharashtra    | 8.04%             |
|         | <b>Total</b>   | <b>90.19%</b>     |

(x) Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

I. Movement of gross NPA as on March 31, 2022

| Movement of gross NPA*       | Rupees (in crores)<br>March 31, 2022 | Rupees (in crores)<br>March 31, 2021 |
|------------------------------|--------------------------------------|--------------------------------------|
| Opening gross NPA            | 42.76                                | 34.91                                |
| - Additions during the year  | 23.89                                | 35.42                                |
| - Reductions during the year | 23.27                                | 27.57                                |
| Closing balance of gross NPA | 43.38                                | 42.76                                |

\*Please indicate the gross NPA recognition policy (Day's Past Due)  
90 days past due is NPA Recognition Policy

II. Movement of provisions for NPA as on March 31, 2022

| Movement of provisions for NPA               | Rupees (in crores)<br>March 31, 2022 | Rupees (in crores)<br>March 31, 2021 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Opening gross NPA                            | 12.08                                | 10.05                                |
| - Additions during the year                  | 7.24                                 | 8.51                                 |
| - Write-off/ write-back of excess provisions | 4.67                                 | 6.48                                 |
| Closing balance                              | 14.65                                | 12.08                                |

90 days past due is NPA Recognition Policy

(xi) Segment-wise gross NPA as on March 31, 2022:

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Sr. No.  | Segment-wise gross NPA                                        | Gross NPA (%)<br>March 22 | Gross NPA (%)<br>March 21 |
|----------|---------------------------------------------------------------|---------------------------|---------------------------|
| <b>1</b> | <b>Retail</b>                                                 |                           |                           |
| A        | Mortgages (home loans and loans against property)             | 3.38%                     | 0.00%                     |
| B        | Gold loans                                                    | 0.00%                     | 0.00%                     |
| C        | Vehicle finance                                               | 2.97%                     | 3.09%                     |
| D        | MFI                                                           | 0.00%                     | 0.00%                     |
| E        | MSME                                                          | 0.00%                     | 0.00%                     |
| F        | Capital market funding (loans against shares, margin funding) | 0.00%                     | 0.00%                     |
| G        | Others                                                        | 1.61%                     | 2.84%                     |
| <b>2</b> | <b>Wholesale</b>                                              |                           |                           |
| A        | Infrastructure                                                | 0.00%                     | 0.00%                     |
| B        | Real estate (including builder loans)                         | 0.00%                     | 0.00%                     |
| C        | Promoter funding                                              | 0.00%                     | 0.00%                     |
| D        | Any other sector (as applicable)                              | 0.00%                     | 0.00%                     |
| E        | Others                                                        | 0.00%                     | 0.00%                     |
|          | <b>Total</b>                                                  | <b>100.00</b>             | <b>100.00</b>             |

(i) Residual maturity profile of assets and liabilities (in line with the RBI format) as on March 31, 2022:

(Rs. In crores)

| Category                     | Upto<br>30/31<br>days | >1<br>month<br>– 2<br>months | >2<br>months<br>– 3<br>months | >3<br>months<br>– 6<br>months | >6<br>months<br>– 1 year | >1 year<br>– 3<br>years | >3<br>years –<br>5 years | >5<br>years | Total   |
|------------------------------|-----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------|--------------------------|-------------|---------|
| Deposits *                   | 0.00                  | 0.00                         | 0.00                          | 0.00                          | 0.00                     | 0.00                    | 0.00                     | 0.00        | 0.00    |
| Advances **                  | 177.03                | 46.88                        | 46.95                         | 139.58                        | 244.71                   | 766.40                  | 128.77                   | 12.94       | 1563.25 |
| Investments                  | 0.00                  | 0.00                         | 0.00                          | 0.00                          | 0.00                     | 0.00                    | 0.00                     | 62.53       | 62.53   |
| Borrowings ***               | 32.43                 | 30.60                        | 65.23                         | 101.07                        | 481.24                   | 511.46                  | 84.50                    | 0.00        | 1306.53 |
| Foreign currency assets      | 0.00                  | 0.00                         | 0.00                          | 0.00                          | 0.00                     | 0.00                    | 0.00                     | 0.00        | 0.00    |
| Foreign currency liabilities | 0.00                  | 0.00                         | 0.00                          | 0.00                          | 0.00                     | 0.00                    | 0.00                     | 0.00        | 0.00    |

As on 31.03.2021

| Category    | Upto<br>30/31<br>days | >1<br>month<br>– 2<br>months | >2<br>months<br>– 3<br>months | >3<br>months<br>– 6<br>months | >6<br>months<br>– 1 year | >1 year<br>– 3<br>years | >3<br>years –<br>5 years | >5<br>years | Total   |
|-------------|-----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------|--------------------------|-------------|---------|
| Deposits *  | 0.00                  | 0.00                         | 0.00                          | 0.00                          | 0.00                     | 0.00                    | 0.00                     | 0.00        | 0.00    |
| Advances ** | 141.15                | 46.21                        | 46.49                         | 128.29                        | 237.81                   | 632.59                  | 151.68                   | 17.39       | 1401.61 |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                    |       |       |       |       |        |        |       |       |         |
|------------------------------------|-------|-------|-------|-------|--------|--------|-------|-------|---------|
| Investments                        | 0.00  | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00  | 45.25 | 45.25   |
| Borrowings<br>***                  | 31.58 | 26.05 | 59.09 | 86.60 | 538.49 | 390.73 | 94.63 | 27.14 | 1254.31 |
| Foreign<br>currency<br>assets      | 0.00  | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00  | 0.00  | 0.00    |
| Foreign<br>currency<br>liabilities | 0.00  | 0.00  | 0.00  | 0.00  | 0.00   | 0.00   | 0.00  | 0.00  | 0.00    |

\* includes deposits from corporates and unclaimed matured deposit.

\*\* net of Impairment loss allowance.

\*\*\* Excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign Currency Liabilities

#### SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI Debt Listing Regulations*:

- A. **Name of the Bank declaring the entity as a Wilful Defaulter: Nil**
- B. **The year in which the entity is declared as a Wilful Defaulter: Nil**
- C. **Outstanding amount when the entity is declared as a Wilful Defaulter: Nil**
- D. **Name of the entity declared as a Wilful Defaulter: Nil**
- E. **Steps taken, if any, for the removal from the list of wilful defaulters: Nil**
- F. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: Nil**
- G. **Any other disclosure as specified by the Board: Nil**

**SECTION 7: DISCLOSURES UNDER THE COMPANIES ACT**

FORM NO. PAS – 4

**PRIVATE PLACEMENT OFFER LETTER**

(Pursuant to Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**7.1 GENERAL INFORMATION**

- A. **Name, address, website (if any) and other contact details of the company indicating both registered office and corporate office:**

**Name of the company:** IKF Finance Limited

**Website:** <https://www.ikffinance.com/>

**Contact Details:** 0866-2474644

**Contact Person:** Ch Sreenivasa Rao

**Email:** sreenivas@ikffinance.com

**Registered office of the Company:**

**IKF Finance Limited**

40-1-144, 3rd Floor,

Corporate Centre, M.G. Road,

Vijayawada - 520010

Tel: 0866-2474644

Fax: NA

**Corporate Office of the Company:**

**IKF Finance Limited**

Plot Nos: 30/A, Survey No: 83/1, 11th Floor,

Myhome Twitza, APIIC Hyderabad Knowledge City,

Raidurg (Panmaqtha) Village, Serilingampally Mandal,

Rangareddy District,

Hyderabad- 500081, Telanagana

Tel: 0866-2474644

Fax: NA

- B. **Date of Incorporation of the Company:** May 30, 1991
- C. **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Please refer to paragraph 5.4 of the Section 5 of this Placement Memorandum

- D. **Brief particulars of the management of the Company;**

Please refer to Section 5 of this Placement Memorandum.

- E. **Names, addresses, Director Identification Number (DIN) and occupations of the Directors:**

Please refer to Section 5 of this Placement Memorandum.

- F. **Management's perception of risk factors;**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Please refer to SECTION 3: of the Placement Memorandum.

**G. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

- i. Statutory dues: Nil
- ii. Debentures and interest thereon: Nil
- iii. Deposits and interest thereon: Nil
- iv. Loan from any bank or financial institution and interest thereon: Nil

**H. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process:**

Ch Sreenivasa Rao  
Tel: 0866-2474644  
Fax: NA  
Email: sreenivas@ikffinance.com

**I. Any Default in Annual filling of the Company under the Companies Act, 2013 or the rules made there under:**

Nil

**7.2 PARTICULARS OF OFFER:**

|                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial position of the Company for the last 3 financial years</b>                                                                                  | As per <b>Annexure V (Part A)</b> hereto                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Date of passing of Board Resolution</b>                                                                                                               | Date of Board Resolution: September 30, 2022<br>Date of Management Committee Resolution: March 17, 2022<br>A copy of the said board resolution is annexed herewith and marked as <b>Annexure VIII</b> hereto.                                                                                                                                                                                                                                                                                  |
| <b>Date of passing of resolution in general meeting, authorizing the offer of securities</b>                                                             | 1. Shareholders resolution passed under Section 42 of the Act dated September 30, 2022; and<br><br>2. Shareholders resolutions passed under Section 180(1)(c) of the Act dated September 30, 2022.<br><br>A copy of the said shareholders resolution (under both Section 42 and Section 180(1)(c) of the Act) is annexed herewith and marked as <b>Annexure IX</b> hereto.                                                                                                                     |
| <b>Kind of securities offered (i.e. whether share or debentures) and class of security; the total number of shares or other securities to be issued.</b> | Issue of up to 7000 (seven thousand) unsecured, rated, listed, redeemable, unsubordinated, non-convertible debentures of face value of Rs. 1,00,000/- (rupees one lakh only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) comprising of base issue of INR 20,00,000 (Indian Rupees Twenty Crores only) and green shoe option of INR 50,00,000 (Indian rupees fifty crores only) (" <b>Green Shoe Option</b> ") on a private placement basis (the " <b>Issue</b> "). |
| <b>Price at which the security is being offered, including premium if any, along with justification of the price</b>                                     | The Debentures are issued at par at INR 1,00,000 per Debenture                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has</b>                                  | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                            |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|--------|---------------------|-----------------|--------------------------------------------|-------------------|--------------------------------------------|
| been arrived at along with report of the registered valuer                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                            |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Relevant date with reference to which the price has been arrived at<br>[Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held] | Not Applicable                                                                                                                                                                                                                                                                                                                                                                             |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The class or classes of persons to whom the allotment is proposed to be made                                                                                                                               | Please refer to Clause 9.14 of this Placement Memorandum                                                                                                                                                                                                                                                                                                                                   |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)                                                         | Not applicable                                                                                                                                                                                                                                                                                                                                                                             |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The proposed time within which the allotment shall be completed                                                                                                                                            | Issue Opening Date: March 24, 2023<br>Issue Closing Date: March 24, 2023<br>Pay-in Dates: March 27, 2023<br>Deemed Date of Allotment: March 27, 2023<br><br>Upon issuance of the Debentures, the allotment and the dematerialised credit of the same shall occur within 2 (Two) Business Days from the Deemed Date of Allotment                                                            |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The names of the proposed allottees and the percentage of post private placement capital that may be held by them                                                                                          | NA                                                                                                                                                                                                                                                                                                                                                                                         |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The change in control, if any, in the company that would occur consequent to the private placement                                                                                                         | No change in control would occur consequent to the private placement                                                                                                                                                                                                                                                                                                                       |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of securities as well as price                              | Nil                                                                                                                                                                                                                                                                                                                                                                                        |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer                                                          | Not applicable                                                                                                                                                                                                                                                                                                                                                                             |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Amount, which the Company intends to raise by way of proposed offer of securities                                                                                                                          | Private Placement of up to Rs. 70,00,00,000/- (Rupees One Seventy Crores only)                                                                                                                                                                                                                                                                                                             |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Terms of raising of securities:                                                                                                                                                                            | <table> <tr> <td>Duration, if applicable:</td><td>Approximately 2 (Two) years from the Deemed Date of Allotment i.e. March 27, 2023</td></tr> <tr> <td>Coupon</td><td>10.60 % p.a (Fixed)</td></tr> <tr> <td>Mode of Payment</td><td>Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT</td></tr> <tr> <td>Mode of Repayment</td><td>Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT</td></tr> </table> | Duration, if applicable: | Approximately 2 (Two) years from the Deemed Date of Allotment i.e. March 27, 2023 | Coupon | 10.60 % p.a (Fixed) | Mode of Payment | Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT | Mode of Repayment | Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT |
| Duration, if applicable:                                                                                                                                                                                   | Approximately 2 (Two) years from the Deemed Date of Allotment i.e. March 27, 2023                                                                                                                                                                                                                                                                                                          |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Coupon                                                                                                                                                                                                     | 10.60 % p.a (Fixed)                                                                                                                                                                                                                                                                                                                                                                        |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Mode of Payment                                                                                                                                                                                            | Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT                                                                                                                                                                                                                                                                                                                                                 |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Mode of Repayment                                                                                                                                                                                          | Cheque(s)/ Demand Draft/ ECS / RTGS / NEFT                                                                                                                                                                                                                                                                                                                                                 |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Proposed time schedule for which the Issue is valid                                                                                                                                                        | Issue Opening Date: March 24, 2023<br>Issue Closing Date: March 24, 2023<br>Pay-in Date: March 27, 2023<br>Deemed Date of Allotment: March 27, 2023                                                                                                                                                                                                                                        |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |
| Purposes and objects of the Issue                                                                                                                                                                          | With a view to raising debt for the ongoing business purposes of the Company. The proceeds of the Issuance will be utilized for General corporate purposes                                                                                                                                                                                                                                 |                          |                                                                                   |        |                     |                 |                                            |                   |                                            |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                                                                                                                                                                  |                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object</b>                                              | NIL                                                                  |
| <b>Principal terms of assets charged as security</b>                                                                                                                             | Not applicable as the debenture which are being issued are unsecured |
| <b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations</b> | Nil                                                                  |

### 7.3 MODE OF PAYMENT FOR SUBSCRIPTION:

All payments must be made through NEFT/RTGS/Cheque/ Fund Transfer as set out in the application form.

### 7.4 DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

|                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                   |            |            |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------|------------|------------|------------|
| Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons                                                                                                                                                                                                                | Nil                                 |                                   |            |            |            |
| Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed | Nil                                 |                                   |            |            |            |
| Remuneration of directors (during the current year and last 3 (three) financial years)                                                                                                                                                                                                                                                                                                                                        | Particulars (Rs. in Crores)         | Current Year (till September' 22) | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | V.G.K.Prasad, Chairman              |                                   |            |            |            |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | Remuneration                        | 0.42                              | 0.76       | 0.70       | 0.55       |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | Commission                          | -                                 | 0.51       | 0.42       | 0.35       |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | K Vasumathi Devi, Managing Director |                                   |            |            |            |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | Remuneration                        | 0.30                              | 0.54       | 0.50       | 0.38       |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | Commission                          | -                                 | 0.36       | 0.29       | 0.25       |
|                                                                                                                                                                                                                                                                                                                                                                                                                               | V Indira Devi, Whole-time           |                                   |            |            |            |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |      |      |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|
|                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |      |      |      |
|                                                                                                                                                                                                                                                                                                                                                                                                                      | Remuneration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.18 | 0.33 | 0.30 | 0.30 |
|                                                                                                                                                                                                                                                                                                                                                                                                                      | Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -    | 0.22 | 0.18 | 0.15 |
| <b>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided</b>                                                                                                                                                                                     | Please refer to Annexure XII                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      |      |      |      |
| <b>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</b> | <p><b>2017-18 Observations:</b><br/>The Company's internal financial controls over a) procurement of fixed assets b) creation of unique customer c) segregation of duties and recording of journal entries are not operating effectively which could potentially effect the internal control environment of the Company</p> <p>The Company Response:<br/>The management has taken all reasonable steps in procurement of fixed assets, except few procedural / process related lapses, and there was no under/over valuation of fixed assets of the Company and as such there was no impact on the financials of the Company.</p> <p>The management has taken all reasonable steps to create unique customer IDs, except few procedural / process related lapses which got rectified subsequently, and proper accounting in provisions/write offs and there was no under /over valuation of provisions written off during the year and as such there was no impact on the financials of the Company.</p> <p>The management has taken all reasonable steps over segregation of duties and recording of journal entries and as such there was no impact on internal control environment of the Company.</p> <p><b>2018-19 Observations:</b><br/>The Company's internal financial controls over segregation of duties and recording of journal entries are not operating effectively which could potentially effect the internal control environment of the Company</p> <p>The Company Response<br/>The management has taken all reasonable steps over segregation of duties and recording of journal entries and as such there was no impact on internal control environment of the Company.</p> <p><b>FY 19-20, FY 20-21, FY 21-22:</b> No Summary of reservations or qualifications or adverse remarks of auditors.</p> |      |      |      |      |
| <b>Details of any inquiry, inspections or investigations initiated or conducted under the Act or</b>                                                                                                                                                                                                                                                                                                                 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |      |      |      |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| any previous company law in the last 3 (three) years immediately preceding the year of issue of offer letter in the case of the Company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries |     |
| Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company                                                                                                                                                                                                                                                                                                   | Nil |

## 7.5 FINANCIAL POSITION OF THE COMPANY

The capital structure of the company in the following manner in a tabular form:

|                                                                                                                                                                                                                                          |                                                                                   |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------|
| The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)                                                                                                                   | Share Capital                                                                     | Amount (in Rs.) |
|                                                                                                                                                                                                                                          | Authorised Share Capital                                                          |                 |
|                                                                                                                                                                                                                                          | 6,00,00,000 Equity shares of Rs.10 each                                           | 60,00,00,000    |
|                                                                                                                                                                                                                                          | 25,00,00,000 Preference shares of Rs.100 each                                     | 25,00,00,000    |
|                                                                                                                                                                                                                                          | TOTAL                                                                             | 85,00,00,000    |
|                                                                                                                                                                                                                                          |                                                                                   |                 |
|                                                                                                                                                                                                                                          | Issued, Subscribed and Fully Paid- up Share Capital                               |                 |
|                                                                                                                                                                                                                                          | 5,69,93,632 equity shares of Rs.10 each, fully paid                               | 56,99,36,320    |
|                                                                                                                                                                                                                                          | TOTAL                                                                             | 56,99,36,320    |
| Size of the present issue                                                                                                                                                                                                                | Private Placement of up to INR 70, 00,00,000 (Rupees Seventy Crores only)         |                 |
| Paid-up Capital:<br>a. After the offer:<br><br>b. After the conversion of Convertible Instruments (if applicable)                                                                                                                        | This issuance of the Debentures will not alter the paid-up capital of the Issuer. |                 |
| Share Premium Account:<br>a. Before the offer:<br>b. After the offer:                                                                                                                                                                    | Rs. 193,49,68,956/-<br>Rs. 193,49,68,956/-                                        |                 |
| Details of the existing share capital of the Issuer, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of shares allotted, the price and the form of consideration: |                                                                                   |                 |

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| Date of Allotment | No. of Equity Shares                                                        | Face Value (in Rs) per share | Issue Price (in Rs) per share | Consideration (Cash, other than cash, etc.) | Nature of Allotment | Cumulative           |                           |                                     | Remarks |
|-------------------|-----------------------------------------------------------------------------|------------------------------|-------------------------------|---------------------------------------------|---------------------|----------------------|---------------------------|-------------------------------------|---------|
|                   |                                                                             |                              |                               |                                             |                     | No. of equity shares | Equity share capital (Rs) | Equity Share Premium (Rs) per share |         |
| 17.02.2023        | 24,58,962 fully paid up shares of Rs. 10 each                               | 10                           | 215                           | 52,86,76,860                                | Preferential Issue  | 24,58,962            | 56,99,36,320              | 193,49,68,956/-                     |         |
| 10.11.2022        | 18,75,603 fully paid up shares of Rs. 10 each                               | 10                           | 209                           | 39,20,01,027                                | Preferential Issue  | 5,45,34,670          | 54,53,46,700              | 143,08,81,746                       | -       |
| 31.03.2022        | 51,79,688 Partly paid up shares of Rs 8.10 paid up 3rd and Final Call Money | 10                           | 72.59                         | 7,14,38,774                                 | Preferential Issue  | 5,26,59,067          | 52,65,90,670              | 105,76,36,749                       | -       |
| 31.03.2021        | 51,79,688 Partly paid up shares of Rs 8.10 paid up 2nd Call Money           | 10                           | 72.59                         | 10,15,18,259                                | Preferential Issue  | 5,26,59,067          | 51,67,49,262.80           | 99,92,89,377                        | -       |
| 31.03.2019        | 51,79,688 Partly paid up shares of Rs 5.40 paid up 1st Call Money           | 10                           | 72.59                         | 10,15,18,259                                | Preferential Issue  | 5,26,59,067          | 50,27,64,106              | 91,17,56,276                        | -       |
| 22.01.2019        | 12,22,278                                                                   | 10                           | 128                           | 15,64,51,584                                | Preferential        | 5,26,59,067          | 48,87,78,948              | 82,42,23,175                        | -       |

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|                                                                                                                                                                                                                                                                   |                                |                         |                                                                                                                                                                                                                                                                                                                                                                      |              | Issue               |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|-------------|--------------|--------------|---|------|--------------------------|-------------------------|------------------|--------------|-------|--------------|-------|--------------|--------------|-------|-------|--------------|-------|-------|-------|
| 18.01.2019                                                                                                                                                                                                                                                        | 7,30,847                       | 10                      | 128                                                                                                                                                                                                                                                                                                                                                                  | 9,35,48,416  | Prefere ntial Issue | 5,14,36,789 | 47,65,56,168 | 67,99,94,371 | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 17.01.2018                                                                                                                                                                                                                                                        | 51,79,688 (Applic ation Money) | 10                      | 72.59                                                                                                                                                                                                                                                                                                                                                                | 10,15,18,259 | Prefere ntial Issue | 5,07,05,942 | 46,92,47,698 | 59,37,54,425 | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 06/05/2015                                                                                                                                                                                                                                                        | 80,13,375                      | 10                      | 31                                                                                                                                                                                                                                                                                                                                                                   | 24,84,14,625 | Rights Issue        | 4,55,26,254 | 45,52,62,540 | 50,62,21,324 | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 30/09/2013                                                                                                                                                                                                                                                        | 30,00,000                      | 10                      | 13                                                                                                                                                                                                                                                                                                                                                                   | 3,90,00,000  | Prefere ntial Issue | 3,21,00,000 | 32,10,00,000 | 9,00,07,000  | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 18/03/2013                                                                                                                                                                                                                                                        | 36,60,000                      | 10                      | 13.25                                                                                                                                                                                                                                                                                                                                                                | 4,84,95,000  | Prefere ntial Issue | 2,91,00,000 | 29,10,00,000 | 7,77,57,000  | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 16/08/2012                                                                                                                                                                                                                                                        | 68,50,000                      | 10                      | 13                                                                                                                                                                                                                                                                                                                                                                   | 8,90,50,000  | Prefere ntial Issue | 254,40,000  | 25,44,00,000 | 6,58,63,000  | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| 21/03/2012                                                                                                                                                                                                                                                        | 63,60,000                      | 10                      | 13                                                                                                                                                                                                                                                                                                                                                                   | 8,26,80,000  | Prefere ntial Issue | 1,85,90,000 | 18,59,00,000 | 4,53,13,000  | - |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| Details of the number and price at which each of the allotments were made in the last one year preceding the date of the Offer Letter separately indicating the allotments made for considerations other than cash and details of the consideration in each case. |                                |                         | Nil                                                                                                                                                                                                                                                                                                                                                                  |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter                                                                                           |                                |                         | <div>(₹. in Crores)</div> <table><tr><th>Year</th><th>Profit Before Tax</th><th>Provision for Tax</th><th>Profit after Tax</th></tr><tr><td>F.Y. 2021-22</td><td>54.27</td><td>13.97</td><td>40.30</td></tr><tr><td>F.Y. 2020-21</td><td>44.20</td><td>12.30</td><td>31.90</td></tr><tr><td>F.Y. 2019-20</td><td>37.94</td><td>10.20</td><td>27.73</td></tr></table> |              |                     |             |              |              |   | Year | Profit Before Tax        | Provision for Tax       | Profit after Tax | F.Y. 2021-22 | 54.27 | 13.97        | 40.30 | F.Y. 2020-21 | 44.20        | 12.30 | 31.90 | F.Y. 2019-20 | 37.94 | 10.20 | 27.73 |
| Year                                                                                                                                                                                                                                                              | Profit Before Tax              | Provision for Tax       | Profit after Tax                                                                                                                                                                                                                                                                                                                                                     |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2021-22                                                                                                                                                                                                                                                      | 54.27                          | 13.97                   | 40.30                                                                                                                                                                                                                                                                                                                                                                |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2020-21                                                                                                                                                                                                                                                      | 44.20                          | 12.30                   | 31.90                                                                                                                                                                                                                                                                                                                                                                |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2019-20                                                                                                                                                                                                                                                      | 37.94                          | 10.20                   | 27.73                                                                                                                                                                                                                                                                                                                                                                |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)                                                                         |                                |                         | <table><tr><th>Year</th><th>Dividend per share (Rs.)</th><th>Interest Coverage Ratio</th></tr><tr><td>F.Y. 2021-22</td><td>Nil</td><td>1.48</td></tr><tr><td>F.Y. 2020-21</td><td>Nil</td><td>1.40</td></tr><tr><td>F.Y. 2019-20</td><td>Nil</td><td>1.34</td></tr></table>                                                                                          |              |                     |             |              |              |   | Year | Dividend per share (Rs.) | Interest Coverage Ratio | F.Y. 2021-22     | Nil          | 1.48  | F.Y. 2020-21 | Nil   | 1.40         | F.Y. 2019-20 | Nil   | 1.34  |              |       |       |       |
| Year                                                                                                                                                                                                                                                              | Dividend per share (Rs.)       | Interest Coverage Ratio |                                                                                                                                                                                                                                                                                                                                                                      |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2021-22                                                                                                                                                                                                                                                      | Nil                            | 1.48                    |                                                                                                                                                                                                                                                                                                                                                                      |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2020-21                                                                                                                                                                                                                                                      | Nil                            | 1.40                    |                                                                                                                                                                                                                                                                                                                                                                      |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| F.Y. 2019-20                                                                                                                                                                                                                                                      | Nil                            | 1.34                    |                                                                                                                                                                                                                                                                                                                                                                      |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter                                                                                                  |                                |                         | Annexed at <b>Annexure V (Part A)</b> hereto                                                                                                                                                                                                                                                                                                                         |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |
| Audited Cash Flow Statement for the 3 (three) years                                                                                                                                                                                                               |                                |                         | Annexed at <b>Annexure V (Part A)</b> hereto                                                                                                                                                                                                                                                                                                                         |              |                     |             |              |              |   |      |                          |                         |                  |              |       |              |       |              |              |       |       |              |       |       |       |

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|                                                                                                                                   |     |
|-----------------------------------------------------------------------------------------------------------------------------------|-----|
| immediately preceding the date of circulation of this Offer Letter                                                                |     |
| Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company | Nil |

**PART – B**  
**(To be filled by the Applicant)**

1. Name:
2. Father's Name:
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email id, if any:
6. PAN:
7. Bank account details:
8. Tick whichever is applicable:
  - (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares:-
  - (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is disclosed herewith:-

Signature of the applicant

\_\_\_\_\_  
Initial of the officer of the company designated to keep the record

## **SECTION 8: TRANSACTION DOCUMENTS AND KEY TERMS**

### **8.1 REPRESENTATIONS AND WARRANTIES**

#### **1. Utilization of proceeds of the Debentures**

The Company shall utilise the moneys received towards subscription of the Debentures for the Purpose and procure and furnish to the Debenture Trustee a certificate from the Company's statutory auditors in respect of the utilisation of funds raised by the issue of the Debentures;

#### **2. Representations and Warranties**

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Deed and during the term of the Debentures.

##### **(a) Status**

- (i) It is a company, duly incorporated, registered and validly existing under the Laws of India.
- (ii) It is registered as a non-banking financial company with the RBI.
- (iii) It and each of its subsidiaries (as defined under the Act) has the power to own their respective Assets and carry on their respective business as it is being conducted.

##### **(b) Binding obligations**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

##### **(c) Non-conflict with other obligations**

The entry into and performance by it of, the transactions contemplated by the Transaction Documents do not and will not conflict:

- (i) any Law or regulation applicable to it;
- (ii) its Constitutional Documents
- (iii) any agreement or instrument binding upon it or any of its Assets.

##### **(d) Power and authority**

It has the power to issue the Debentures and to enter into, perform and deliver, and has taken all necessary authorisations its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

##### **(e) Validity and admissibility in evidence**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

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- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
  - (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
  - (iii) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.
- (f) No default

No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.
- (g) Pari passu ranking

Each Debenture constitutes direct and unconditional obligations of the Company. The claims of the Debenture Holders shall be superior to all the claims of equity investors/lenders of Tier I Capital and Tier II Capital (including without limitation, any Subordinated Debt) and shall rank at least pari passu inter se and to all other lenders who have not expressly agreed to subordinate their claims to those of other lenders of the Company.
- (h) No proceedings pending

Except as disclosed by the Company in its Debt Disclosure Document, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.
- (i) No misleading information
  - (A) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
  - (B) It has disclosed all information in the Debt Disclosure Document that is relevant for the Applicants to apply for subscription of the Debentures.
- (j) No Material Adverse Effect
  - (i) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.

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- (ii) Neither the Company nor any Group Entity has violated, or breached any applicable Law (including, but not limited to, any Environmental and Social Requirements or Client Protection Laws) which has resulted in or could reasonably be expected to have a Material Adverse Effect.
- (k) Assets

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.
- (l) Financial statements
  - (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
  - (ii) Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.
  - (iii) It has disclosed all its borrowings from various banks and financial institutions in the Debt Disclosure Document.
- (m) Solvency
  - (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of applicable Law, nor will it become unable to pay its debts for the purposes of applicable Law as a consequence of entering into this Deed or any other Transaction Document.
  - (ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Indebtedness.
  - (iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
  - (iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
  - (v) No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 in respect of any of the Company.
  - (vi) No reference, enquiry or proceedings under corporate debt restructuring (CDR) mechanism or the strategic debt restructuring (SDR) mechanism of the RBI, and no steps have been taken by any lender in respect of any member of the Group, under the 'Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the RBI.
- (n) No immunity

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The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

(o) Legal and Beneficial Ownership

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN of the Company on the website <http://www.mca.gov.in/MCA21/index.html> under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(p) Compliance with Laws

- (i) The Company and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws.
- (ii) With respect to all such Environmental and Social Requirements, the Company and each Group Entity (1) have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (2) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (3) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.
- (iii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC (if applicable) and obtain all consents and approvals required for the completion of the Issue.

(q) Anti-terrorism Laws

The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti-Money Laundering.

(r) No Corrupt Practices

- (i) Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.
- (ii) Neither the Company nor any Group Entity through its officers, directors or employees in such capacities or any person acting on behalf of the Company or any Group Entity have engaged in any Objectable Practice.

(s) Taxation

- (i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has

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maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;

(ii) The Company is not overdue in the filing of any Tax returns.

(iii) No claims exceeding Tax Claims Amount are being or are reasonably likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect.

(t) Disclosures in Debt Disclosure Document

The extent of disclosures made in the Debt Disclosure Document is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) Audit

The Company annual accounts are audited by an auditor from a reputable firm of independent chartered accountants.

(v) Good Business Standard

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(w) Proper book-keeping and accounting

The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) Employees

The Company is in compliance with all obligations under the applicable labour laws and other applicable Laws in relation to its employees.

(y) Compliance with RBI/SEBI Regulations and the Act's Requirements

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Deed and the Debenture Holders shall have no right to raise any objection thereto.

### 3. Affirmative Covenants

The Company agrees and undertakes to abide by and comply with all the covenants and undertakings set out in Schedule VII (Affirmative Covenants) all times until the Final Settlement Date.

### 4. Negative Covenants

Without the prior written consent of the Debenture Trustee the Company shall not take any action/ permit any action to be taken in relation to the items set out in Schedule XIII (Negative Covenants).

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The Debenture Trustee reserves the right to take the consent of the Majority Debenture Holders prior to any such approval/rejection, if it deems necessary.

5. Register of Debenture Holders

A Register of Debenture Holders shall be maintained at the registered office of the Company or with their Registrar and the Register of Debenture Holders/ the Register of Beneficial Owners, shall be closed during the Register Closure Period, the Final Redemption Date or any other payment date by acceleration.

In case of dissolution/bankruptcy/insolvency/winding up of Debenture Holders, the debenture certificates shall be transmittable to the legal representative(s) / successor(s) or the liquidator as the case may be in accordance with the applicable provisions of Law on such terms as may be deemed appropriate by the Company.

6. Future Borrowings

The Company shall be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee in this connection. Notwithstanding anything contained in this Clause, the Company shall continue to comply with the financial covenants set forth in Schedule XI (Financial Covenants).

7. Costs

All reasonable expenses incurred by the Debenture Trustee prior to or following the occurrence of an Event of Default, including in connection with:

- (a) collection of amounts due under the Transaction Documents; or
- (b) engaging intermediaries; or
- (c) all expenses in relation to issue of Debentures; or
- (d) legal costs; or (e) stamp duty on any Transaction Documents,

shall be payable by the Company.

8. Discretionary Audit

The Company agrees to the Debenture Trustee or any Person authorized by it and/or any Debenture Holder or any Person authorized by it conducting an audit on the review of collection standards, management, governance, internal systems and processes, and data integrity of the Company at any time on or prior to the Final Settlement Date. The scope of such audit shall inter alia cover visit to operational (field) areas of the Company as well as the head office and/or any regional or state level or other branch offices and discussions with employees of the Company as well as with Obligors of the Company. However, such audits shall be carried out only during the business hours of the Company and after giving a 15 (fifteen) days' notice to the Company.

8.2 Covenants

- (a) ***Amendment of Articles of Association***

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Issuer undertakes to amend and incorporate provisions in their Articles of Association, authorizing the Debenture Holders and the Debenture Trustee to appoint a nominee director on the board of directors of the Company as per Clause 15 (1)(e) of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and Rule 18(3) (e) of Companies (Share Capital and Debentures) Rules, 2014 by September 30, 2023 as specified in press release of SEBI Board Meeting (PR No. 37/2022) and NCS Listing Regulations.

(b) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

(c) ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(d) ***Costs and expenses***

Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(e) ***Payment of Rents, etc.***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed;

(f) ***Preserve corporate status; authorisations***

Company shall

- (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and

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- (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

(g) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

(h) ***Furnish information to Debenture Trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(i) ***Grievance***

Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(j) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

- (i) notice of any Event of Default or potential Event of Default, each as listed in **Schedule XIV (Events of Default)** of this Deed;
- (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed);
- (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed);
- (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and
- (v) the declaration or distribution of dividend;

(k) ***Comply with Investor Education and Protection Fund requirements***

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Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it;

**(l) Further assurances**

Company shall

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;
- (iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;
- (iv) comply with:
  - (A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) the Debt Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;
  - (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
  - (C) the provisions of the Act in relation to the issue of the Debentures;
  - (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and
  - (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

**(m) Filings**

The Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Operating Circular and NCS Regulations.

(n) **Compliance**

- (i) The Company shall (and it shall ensure that all of the Group Entities will) conduct their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same. (ii) The Company shall promptly inform the Debenture Trustee any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Company shall promptly inform the Debenture Trustee, on (i) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (ii) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion.
- (iii) The Company shall (and it shall ensure that the Group Entities will) abide by the Workers' Rights Requirements.

(o) **Books of Account**

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

(p) **Material Adverse Effect**

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof;

(q) **Insurance**

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with;

(r) **Corporate Governance**

- (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions;

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- (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 2 (two) independent director; and
- (iii) the Company shall at all times comply with the NBFC Master Directions.

(s) **General**

- (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;
- (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;
- (iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;
- (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI; and
- (v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(t) **Access**

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

- (i) check the management of the funds made available through subscription to the Debentures;
- (ii) inspect and take copies and extracts from the books, accounts and records of the Company;
- (iii) visit and inspect the premises of the Company; and
- (iv) meet and discuss matters with senior management employees of the Company.

(u) **Conditions Subsequent**

Company shall comply with the conditions stipulated in **Schedule XV** (*Conditions Subsequent*).

(v) **Financial Covenants**

Company shall comply with the financial covenants stipulated in **Schedule XI** (*Financials Covenants*).

(w) **Issue Terms and Conditions**

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(y) **Internal Controls**

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

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**(z) Information to Debenture Trustee**

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee on a quarterly basis and as may be required from time to time.

Company undertakes to comply with all the directions/guidelines/ circulars/regulations issued by any regulatory authority with regard to the Debenture issue including latest amendments i.e. SEBI (Debenture Trustee) Amendment Regulation, 2020, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as may be amended by SEBI from time to time and further company shall take such steps as may be required from time to time.

**NEGATIVE COVENANT**

Without the prior written consent of the Debenture Trustee the Company shall not take any action/ permit any action to be taken in relation to the items set out herein:

**(a) Change of business**

Change the general nature of its business from that which is permitted by the RBI. The Issuer shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of Majority Debenture Holders.

The Issuer shall not without the prior written consent of the Debenture Trustee/ Debenture Holders enter into or perform any transaction other than in its ordinary course of business. For the purpose of this clause, 'ordinary course of business' shall mean activities which are carried out by the Company in line with its Memorandum and Articles of Association and will generally fulfill the following conditions: (i) It is normal for the particular business; (ii) It is as per customs and practices of its business and of the Company; (iii) It involves the usual allocation of resources considering the size and volume of the transaction; (iv) It is necessary, normal and usual from the perspective of the Company and its line of business; (v) It is at arm's length basis,

**(b) Change in Constitutional Documents**

Change or make any alteration to its Constitutional Documents without prior consent of the Debenture Trustee except for increase in authorised share capital except for equity infusion with prior intimation to the Debenture Trustee

**(c) Change in Promoter**

- (i) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any manner whatsoever of the equity shares held by the Promoter in the Company.
- (ii) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or or cease to remain in the executive position or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed.

**(d) Change in the shareholding**

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- i. The Issuer will not purchase or redeem any of its issued shares, or reduce its share capital without the majority Debenture Holders' prior written consent, except for conversion of preference shares;
- ii. Any new equity raising which results in change in the existing shareholding pattern and related change in board composition would be communicated to Debenture Holders and consent would be sought. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders.
- iii. The Issuer shall not, without the prior written consent of the Debenture Trustee/Debenture Holders shall not buyback, defease, retire, return or repay any of its equity share capital.
- iv. Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of the Issuer held by them respectively without the prior written consent of the Debenture Trustee/ Debenture Holders.
- v. Issuer shall procure and furnish the Debenture Trustee/ Debenture Holders with undertaking(s) issued by the Key Shareholders to that effect as a condition precedent for disbursement of the Facility or any part thereof.
- vi. Any change in the stake of the Key Shareholders in the Company below the existing level set out in the following table shall require prior written consent of the Debenture Trustee/ Debenture Holders, except by way of infusion of additional capital by Promoters.

| Name                          | Type Of Shareholding | Existing %'age |
|-------------------------------|----------------------|----------------|
| Mr. V. G. K. Prasad           | Ordinary Equity      | 34.83%         |
| Mrs. K Vasumathi Devi         | Ordinary Equity      | 4.64%          |
| Ms. Devineni Vasantha Lakshmi | Ordinary Equity      | 4.37%          |
| Mr. Vupputuri Raghu Ram       | Ordinary Equity      | 3.16%          |
| Mrs. V. Indira Devi           | Ordinary Equity      | 2.89%          |
| Mrs. Durga Rani Chunduri      | Ordinary Equity      | 2.62%          |
| Sinha Satyanand Chunduri      | Ordinary Equity      | 0.21%          |

(e) **Dividend**

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

- (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);
- (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;
- (iii) the Company is in compliance with the financial covenants set forth in **Schedule XI (Financial Covenants)**; and

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- (iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.

(f) **Merger, consolidation, etc.**

The Company shall not enter into mergers and acquisitions, restructuring, amalgamation without approval of Majority Debenture Holders over and above 10% of the net worth of the Issuer in a financial year.

The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.

The Issuer shall not dispose of its assets or compromise with any of its creditors without the prior written consent of the Debenture Trustee/ Debenture Holders, except in the ordinary course of and pursuant to the reasonable requirements of the Issuer's business and upon fair and reasonable terms.

(g) **Associates, Subsidiaries, and Joint Ventures**

Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures except investment in the Subsidiary IKF Home Finance Ltd.)

(h) **Acquisition**

Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (ten percent) of the net worth of the Issuer in a financial year.

Issuer shall not sell its assets/business/division that has the effect of exiting the business or restructuring of the existing business, to be with the prior consent of the majority debenture holder

(i) **Joint Venture**

Without the prior written consent of the Majority Debenture Holders:

- (i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or
- (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(j) **Loans and Guarantees**

The Company shall not:

- (i) extend a loan to any single individual or entity amounting to greater than 15% (fifteen percent) of its Tangible Net Worth; or

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- (ii) undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company).

(k) ***Arm's length basis; No profit sharing arrangements***

The Company shall not, without the prior written consent of the Majority Debenture Holders:

- (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;
- (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or
- (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(l) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(m) ***Auditor***

Change its auditor without the prior written consent of the Majority Debenture Holders. The Company shall authorize its auditors to communicate directly with the Debenture Trustee and the Debenture Holders.

(n) ***Liabilities***

Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

(o) ***Change of control***

Change in management control without prior written consent from the majority Debenture Trustee. Any new equity raising which results in change in the existing shareholding pattern and related change in board composition would be communicated to Debenture Holders and consent would be sought. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders. However, any changes in control not due to new equity raise will have to be formally approved by debenture holders & deemed consent window is not applicable;

(p) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(q) ***Management Control***

Any change in Management Control of the Company.

Without the prior written consent of the Debenture Trustee/ Debenture Holders, the Issuer shall not make any material change in its management; cause or permit change in control (as defined under the under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011) of the Issuer;

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or enter into any compromise arrangement with its shareholders or creditors, pass a resolution of voluntary winding up or implement any scheme for restructuring or reconstruction, consolidation, amalgamation, merger or other similar purposes or change its shareholding structure.

(r) **Material compromise or Settlement**

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(s) **Anti-money laundering**

Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

(t) **Related Party Transactions**

- (u) Without prior written intimation to the Debenture Trustee/ Debenture Holders, the Company shall not enter into or perform any transaction(s) with a related party. Without prejudice to the foregoing, the Company shall not without the prior written consent of the Debenture Trustee/ Debenture Holders (i) enter into any transaction(s) in the nature of loans or advances to a related party whereby the overall outstanding amount owed to the Company under all such transactions exceeds 10% (Ten Percent) of its net worth, or (ii) provide any guarantee for any indebtedness of a related party. The Debenture Trustee/ Debenture Holders shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related' party shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder). **Financial Year**

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(v) **Exclusion List**

The Company shall not (i) perform or involve in any of the excluded activities as listed in the Exclusion List or (ii) finance any Person or Obligor performing any of the excluded activities as listed in Exclusion List.

(w) **Others**

Without prejudice to Clause (a) (*Change of business; Role of Promoter*) of this **Schedule XIII** (*Negative Covenants*), permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

**REPORTING COVENANTS**

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) Monthly reporting covenant

– Month end ALM table in the RBI format within 25 working days from the end of the month.

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(b) Quarterly Reports

As soon as available and in any event within 45 (Forty-five) calendar days after the end of each quarterly reporting period of the Company, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (i) financials, operations, portfolio growth and asset quality [(including static portfolio cuts, collection efficiency and portfolio at risk data)], funding in formats acceptable to the Investor;
- (ii) the shareholding structure and composition of the board of directors in the Company;
- (iii) if applicable, the financial and other returns filed by the Company with the RBI (including without limitation, the form NBS 7 filed with the RBI);
- (iv) a compliance certificate regarding the financial covenants set forth in **Schedule XI (Financial Covenants)** in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders;
- (iv) The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:
  - i. Updated list of the names and addresses of the Debenture Holders.
  - ii. Details of the Coupon due, but unpaid and reasons thereof.
  - iii. The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same.
- (v) information on:
  - (1) any new product being introduced, including a loan product or any other financial product or any new business correspondent relationship is established or discontinuance of existing relationship;
  - (2) expansion of operations into any new district, city or state;
  - (3) any change in a service or feature change in an existing product;
  - (4) if the Company is proposing to expand to any location other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;
  - (5) if the Company makes any material changes to the information system or loan management software, in terms of upgrade or installing a new software, other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;
  - (6) if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company;
  - (7) any revisions in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;
  - (8) any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment;

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- (9) if there is any fraud, amounting to more than 1% of Gross Loan Portfolio; and
- (10) such other information, as may be required by the Debenture Trustee.

(c) Annual Reports

As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;
- (ii) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;
- (iii) all annual information submitted to the RBI; and
- (iv) the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy.

(d) Event Based Reports

- (i) As soon as available and in any event within 5 (Five) Business Days of the occurrence of such event, the details of any change in the shareholding structure of the Company, in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.
- (ii) As soon as available and in any event within 5 (Five) Business Days of the occurrence of such event, the details of any change in the board of directors and other senior management officials like Chief Executive Officer, Chief Financial Officer/Head of Finance and Treasury, Chief Risk Officer, Chief Operations Officer/Head of Business and the Head of Audit;
- (iii) As soon as available and in any event within 5 (Five) Business Days after receiving approval by the board of the Company, the annual business plan of the Company including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;
- (iv) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as practicable, and in any event within 5 (Five) Business Days from the occurrence of such event:
  - (a) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;
  - (b) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;

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- (c) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;
- (d) the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company;
- (e) the Company alters its Constitutional Documents; and
- (f) any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company.

(e) **OTHER COVENANTS**

- (i) Company shall provide details of a) operational information, b) portfolio cuts, c) monthly disbursements d) monthly DPD statement, e) changes in Board & management and f) changes in shareholding pattern on a quarterly basis in the format as specified by the Lender.
- (ii) The Issuer shall provide details of transactions with related parties and balances outstanding on a quarterly basis in the format as specified by the Lender.
- (iii) Company shall provide the static pool analysis and vintage curve data of the Portfolio and Gross Loan Portfolio in the format as specified by the Lender within 45 days from the end of the quarter. On a quarterly basis beginning from the end of the current financial quarter, the Company shall provide an updated version of the static pool analysis and vintage curve data of the Portfolio and Gross Loan Portfolio in the format prescribed by the Lender.
- (iv) The Issuer shall provide the extract of the loan register covering details of all exposures of INR fifty lakhs or more, at the end of every quarter.
- (v) The Issuer shall provide information on structural liquidity in the format as may be specified by the Lender, at the end of every quarterly and as and when required by the Lender.
- (vi) The Issuer shall share information about facilities sanctioned to it by other lenders including sanction letters from such other lenders every month.
- (vii) Company shall provide quarterly financial statements to the Lender as within 45 days from the end of each quarter. Further, the Company shall submit monthly financial statements as and when requested by the Lender.
- (viii) Company shall provide audited financial statements at the end of each financial year within 120 days from the end of each financial year.
- (ix) Company shall forthwith provide written notice of any material event adversely impacting its business.
- (x) Company shall forthwith provide written notice of occurrence or likely occurrence of any Event of Default.
- (xi) The Issuer shall furnish a certificate issued by a chartered accountant certifying the end use of the proceeds of the Debentures within 60 (Sixty) days from the deemed date of allotment.
- (xii) The Issuer shall be required to pay a penalty of INR 6,000/- for each day of delay in the event of non-adherence to the above reporting undertaking on a timely basis.
- (xiii) The Issuer shall provide details of hypothecated book on a monthly basis and details of scrub output on the hypothecated book from Equifax/CIBIL on a quarterly basis.

(f) **Reporting to stock exchange**

The Company shall disclose all such information to the Debenture Trustee under applicable laws and shall file with the BSE all such information as required under Chapter V of SEBI (Listing Obligations and

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Disclosure Requirements) Regulation, 2015, Operating Circular and NCS Regulations including as required under SEBI vide circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated November 12, 2020, SEBI Circular no SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, SEBI and SEBI Circular no. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 on "Revised format of security cover certificate, monitoring and revision in timelines"

#### FINANCIAL COVENANTS

The Company shall comply with each of the following financial covenants at all times until the redemption of all outstanding Debentures:

1. **Minimum capital ratio of Tier I Capital and Tier II Capital** to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 18.00% (Eighteen Point Zero Zero percent) or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.
2. Cumulative Asset liability mismatch (excluding Cash Credit limits) should always be positive in all the buckets up to 1 year to the extent of at least 10%. If the said covenant is breached, then the company will have a curing period of 30 days to bring it back to the stated range.
3. **Minimum permissible ratio of Tangible Networth to Gross Loan Portfolio** shall be 12.00% (Twelve Point Zero Zero percent).
4. **Maximum permissible ratio of sum of the Par > 90 and write-offs** (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00% (Five Point Zero Zero percent), write-offs would be calculated for trailing twelve months.

**Portfolio at Risk greater than 90 days or PAR > 90** shall mean Borrower's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans.

**Tangible Networth** means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.

**Gross Loan Portfolio** means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.

**NBFC Master Directions** means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).

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**Net Non Performing Assets** shall be calculated as gross non-performing assets less provisioning for non-performing assets. For the purpose of this definition, the terms 'non-performing assets' and 'gross non-performing assets' shall have the meanings stipulated by the RBI to such terms from time to time as may be applicable for the Borrower.

**Tier I Capital** shall have the meaning given to it in the NBFC Master Directions.

**Tier II Capital** shall have the meaning given to it in the NBFC Master Directions.

The Lender shall be granted access to any additional information that it deems necessary to monitor and evaluate compliance with the aforementioned Financial Covenants.

The affirmative/negative covenants and Financial Covenants can be tested at any time during the tenure of the Debentures. Without prejudice to its other rights under the Debenture Documents, Lender reserves the right to levy a penalty of a sum equivalent to 1% (One percent) of the amount outstanding under the Debenture Documents on the Company in the event of breach of any of the other covenants/Financial Covenants. In such an event, the Company shall pay the penalty for Breach to the Lender within 30 calendar days from the date of such breach.

### 8.3 EVENTS OF DEFAULT

#### (a) **Payment Defaults**

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (Three) Business Days of its Due Date.

#### (b) **Insolvency / Inability to Pay Debts / Distress**

- (i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.
- (ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.
- (iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

#### (c) **Business**

The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

#### (d) **Misrepresentation**

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture

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Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(e) **Material Adverse Change**

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

(f) **Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator**

(i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate;
- (B) a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate;
- (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or
- (D) the Company or its Affiliate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));
- (E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or
- (F) enforcement of any security over any Assets of the Company or its Affiliate.

Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

(ii) An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders.

(g) **Cross Default**

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such

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Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(h) **Creditors' Process**

- (i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.
- (ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.
- (iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.
- (iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

(i) **Judgments Defaults**

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

(j) **Transaction Documents**

- (i) This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.
- (ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such rights, title, remedies, power or privileges created thereunder become unlawful, invalid, or unenforceable.

(k) **Unlawfulness**

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(l) **Repudiation**

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The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(m) **Information Covenants**

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in **Schedule XII (Reporting Covenants)**.

(n) **Government Intervention**

- (i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;
- (ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or
- (iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(o) **Delisting**

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(p) **Cessation**

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

(q) **Alteration in Constitutional Documents**

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

(r) **Non-compliance with judicial order**

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

(s) **Erosion of Net Worth**

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more.

(t) **Merger**

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The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

(u) ***Sale, disposal***

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

(v) ***Anti-terrorism***

Any Obligor of the Company is listed on:

- (i) any list of terrorists or terrorist organization of the UN, the European Union and any other applicable country; or
- (ii) any financial sanctions list, being defined as lists of persons, groups or entities which are subject to UN, EU, and US Office of Foreign Asset Control Sanctions.

(w) ***Third party***

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

(x) ***Wilful default***

Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery.

(y) ***Breach of Financial Covenants***

Any breach of financial covenants stipulated in **Schedule XI (Financial Covenants)** and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach.

(z) ***Breach of Negative Covenants***

Any breach of negative covenants mentioned in **Schedule XIII (Negative Covenants)**.

(aa) ***Breach of other terms of this Deed***

A breach by the Company of any of its obligations and covenants provided in terms of this Deed or other Transaction Documents (other than (a) to [(aa)] above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Other Covenants from the date of such breach.

## **SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS**

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

### **9.1 Mode of Transfer/Transmission of Debentures**

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

### **9.2 Debentures held in Dematerialised Form**

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### **9.3 Trustee for the Debenture Holder(s)**

The Issuer has appointed Vardhman Trusteeship Private Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

### **9.4 Sharing of Information**

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The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

#### **9.5 Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

#### **9.6 Modification of Debentures**

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

- A. Creating of any additional security; and
- B. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

#### **9.7 Right to accept or reject Applications**

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

#### **9.8 Notices**

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

#### **9.9 Issue Procedure**

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Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The final subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the electronic book platform during the Issue period.

**Application Procedure through electronic book process:**

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out hereinbelow:

|                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable) | <p>Issue 7,000 (seven thousand) rated, unsecured, unsubordinated, listed, transferable, redeemable non-convertible debentures of the face value of INR. 1,00,000/- (Indian Rupees One Lakh Only) each aggregating to INR. 70,00,00,000/- (Indian Rupees Seventy Crores only) ("Debentures") pursuant to the Offer Letter and in accordance with the terms of this Information Memorandum comprising of:</p> <p>Base Issue: 2,000 (two thousand) rated, secured, senior, listed, transferable, redeemable non-convertible debentures of the face value of INR. 1,00,000/- (Indian Rupees One Lakh Only) each aggregating to INR. 20,00,00,000/- (Indian Rupees Twenty Crores only)</p> <p>Green Shoe Option: Up to 5000 (Five Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) and aggregating upto Rs.50,00,00,000/- (Rupees Fifty Crores only) to be issued on private placement basis.</p> |
| Bid opening and closing date                                                                                                     | <p>Bid opening date: March 24, 2023</p> <p>Bid closing date: March 24, 2023</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Minimum Bid Lot                                                                                                                  | 100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Manner of bidding in the Issue                                                                                                   | Closed bidding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Manner of allotment in the Issue                                                                                                 | Uniform Yield Allotment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|                                   |                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Manner of settlement in the Issue | Pay-in of funds through ICCL.<br>The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below. |
| Settlement Cycle                  | T+1 (Settlement of the Issue will be on March 27, 2023).                                                                                                                                                                                                                                                                              |

**Process flow of settlement:**

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("Successful Bidders"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below:

|                     |                                     |
|---------------------|-------------------------------------|
| Name of Bank        | HDFC BANK                           |
| IFSC Code           | HDFC000060                          |
| Account number      | ICCLEB                              |
| Name of beneficiary | INDIAN CLEARING CORPORATION LIMITED |

In order to be able to bid under the BSE electronic book platform, Eligible Investors must have provided the requisite documents (including but not limited to know your customer) in accordance with the SEBI Electronic Book Mechanism Guidelines. The Issuer is entitled at any time to require an Eligible Investor to provide any know your customer or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with applicable laws. All Eligible Investors are required to register themselves as a one-time exercise (if not already registered) with the BSE electronic book platform for participating in electronic book building mechanism.

Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory know your customer verification process.

The details of the Issue shall be entered on the BSE electronic book platform by the Issuer at least 2 (Two) Business Days prior to the Issue Opening Date, in accordance with the SEBI Electronic Book Mechanism Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE EBP Platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the extant SEBI Electronic Book Mechanism Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

- i. **Modification of Bid:** Eligible Investors may note that modification of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, revision of bid is only allowed for upward revision of the bid amount placed or to improve the coupon or yield by the Eligible Investor.
- ii. **Cancellation of Bid:** Eligible Investors may note that cancellation of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.
- iii. **Multiple Bids:** Bidders are permitted to place multiple bids on the BSE electronic book platform in line with the SEBI Electronic Book Mechanism Guidelines.

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- iv. Manner of bidding: The Issue will be through closed bidding on the BSE electronic book platform in line with the SEBI Electronic Book Mechanism Guidelines.
- v. Manner of allotment: The allotment will be done on uniform yield basis in line with the SEBI Electronic Book Mechanism Guidelines.
- vi. Manner of settlement: Settlement of the Issue will be done through the clearing corporation.
- vii. Settlement cycle: The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.
- viii. Offer or Issue of executed Placement Memorandum to successful Eligible Investors. The final Placement Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the application form to the Issuer in order to accept the offer of Debentures.

No person other than the successful Eligible Investors to whom the Placement Memorandum has been issued by the Issuer may apply for the Issue through the application forms received from a person other than those specifically addressed will be invalid. However, Eligible Investors should refer to the extant SEBI Electronic Book Mechanism Guidelines as prevailing on the date of the bid.

**Withdrawal of Issue:**

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the operational guidelines of BSE; provided that the Issuer shall accept or withdraw the issue on the BSE electronic book platform within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date. However, Eligible Investors should refer to the SEBI Electronic Book Mechanism Guidelines as prevailing on the date of the bid. If the Issuer has withdrawn the Issue, and the cut-off yield of the Issue is higher than the estimated cut-off yield disclosed to the BSE electronic book platform, the estimated cut off yield shall be mandatorily disclosed by the BSE electronic book platform to the Eligible Investors. The expression 'estimated cut off yield' means yield so estimated by the Company, prior to opening of issue on the BSE electronic book platform. The disclosure of estimated cut off yield by BSE electronic book platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

**Process flow of statement:**

Successful bidders shall make pay-in of funds towards the allocation made to them, in the bank account of the clearing corporation, the details whereof are as set out in paragraph 9.13 herein below, on or before 10:30 A.M. on the Deemed Date of Allotment.

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below.

The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated in the electronic book mechanism system. Upon the transfer of funds into the aforesaid account and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of

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the Debenture Holder(s) to Indian Clearing Corporation Limited, the R&T Agent shall provide the corporate action file along with all requisite documents to the Depositories by 12:00 hours and subsequently, the pay-in funds shall be released into the following bank account of the Issuer:

|                         |                      |
|-------------------------|----------------------|
| <b>Beneficiary Name</b> | IKF FINANCE LIMITED  |
| <b>Account No.</b>      | 034313100000104      |
| <b>Bank</b>             | UNION BANK OF INDIA  |
| <b>Branch</b>           | Labbipet, Vijayawada |
| <b>Account Type</b>     | Cash Credit Account  |
| <b>IFSC Code</b>        | UBIN0803430          |

#### 9.10 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

#### 9.11 Fictitious Application

All fictitious applications will be rejected.

#### 9.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

#### 9.13 Payment Instructions

70,00,00,000/- (Rs. Seventy Crores only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through NEFT, RTGS on Pay-in Date, electronic fund transfer to Indian Clearing Corporation Limited. The details for payment are mentioned herein below:

|                   |                                     |
|-------------------|-------------------------------------|
| Beneficiary Name: | INDIAN CLEARING CORPORATION LIMITED |
| Bank Account No.  | ICCLEB                              |
| IFSC CODE:        | HDFC000060                          |
| Bank Name         | HDFC BANK                           |

#### 9.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- (a) Banks;
- (b) Financial Institutions;
- (c) Insurance Companies;
- (d) Mutual Funds;
- (e) Non-banking financial companies;
- (f) Corporate investors;
- (g) Alternate investment funds;
- (h) Foreign Institutional Investors; and

(i) Any other person eligible to invest in these Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

**Note:** Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

**9.15 Procedure for Applying for Dematerialised Facility**

- A. The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- F. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- G. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

**9.16 Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

**9.17 List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

#### **9.18 Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority, as the case may be, along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

#### **9.19 Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- A. SEBI registration certificate
- B. Resolution authorizing investment and containing operating instructions
- C. Specimen signature of authorized signatories

#### **9.20 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. SEBI registration certificate (for Mutual Funds)
- F. Copy of PAN card
- G. Application Form (including EFT/RTGS details)

#### **9.21 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

#### **9.22 Succession**

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

#### **9.23 Mode of Payment**

All payments must be made through EFT/RTGS as set out in the Application Form.

#### **9.24 Effect of Holidays**

In case any Coupon Payment Date falls on a day which is not a Business Day the payment to be made on such Coupon Payment Date shall be made on the immediately preceding Business Day. The Coupon payable on such preceding date shall be the Coupon computed for upto the original Coupon Payment Date.

When the Redemption Date falls on a day which is not a Business Day, all payments to be made on the Redemption Date (including accrued Coupon), shall be made on the immediately preceding Business Day.

#### **9.25 Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this issuance is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for tax from the interest/coupon payable under the Issue, ("**Tax Deduction**"), the Company shall make such Tax Deduction, and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

#### **9.26 Letters of Allotment**

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within 2 (Two) Business Days from the Deemed Date of Allotment or within such timelines as permissible under applicable law.

#### **9.27 Deemed Date of Allotment**

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All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is March 24, 2023 by which date the Investors would be intimated of allotment.

#### **9.28 Record Date**

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

#### **9.29 Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within seven days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

#### **9.30 Interest on Application Money**

The Issuer shall be liable to pay to each Debenture Holder, interest on the Application Monies (subject to any tax deductible at source under Applicable Law) paid by the said Debenture Holder in the event that the Debenture Holder has remitted the Application Monies prior to the Deemed Date of Allotment, for which interest shall be calculated at the Coupon rate applicable for the Debentures issued on the Application Monies, for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Debentures and ending on the day prior to the Deemed Date of Allotment. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.

#### **9.31 Pan Number**

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

#### **9.32 Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

**Disclaimer:** Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for

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**any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.**

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## SECTION 10: DECLARATION

The Issuer declares that:

- A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, the Companies Act and the rules and regulations made thereunder and as amended from time to time;
- B. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- C. the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Memorandum;
- D. whatever is stated in this Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I am authorized by the Management Committee of the Company vide resolution number 4 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Issuer also declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other Applicable Laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For IKF Finance Limited



Authorised Signatory



Name: V G K Prasad

Title: Chairman

Date: 18.03.2022

## ANNEXURE I: TERM SHEET

### INDICATIVE TERM SHEET

The terms and conditions given below are indicative only and are not exhaustive and subject to change.

| PARTIES INVOLVED IN THE ISSUE |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer / Company              | IKF Finance Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Debenture Trustee             | Vardhman Trusteeship Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Subscriber(s)                 | Northern Arc Capital Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Depository                    | [NSDL / CDSL]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Registrar and transfer agent  | Bigshare Services Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Rating Agency                 | CARE Ratings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Legal Counsel                 | Verist Law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Guarantor(s)                  | Mr. V G K Prasad & Mrs Indira Devi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Credit Enhancer(s)            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Other obligor(s)              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| DETAILS OF THE INSTRUMENT     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Type of instrument            | Non-convertible debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Nature of instrument          | Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Ranking                       | Unsubordinated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Security requirements         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Listing requirements          | <p>The Debentures shall be listed on the Wholesale Debt Market segment of the [BSE] within a period of 3 (Three) trading days from the Issue closing date.</p> <p>In the event that: (i) the Debentures are not listed on the [BSE] within a period of 3 (Three) trading days from the Issue closing date; and/ or (ii) the debentures are delisted for a continuous period of 1 month, the Company shall pay default interest calculated at the rate of 1% (One Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period that the Debentures are unlisted or delisted</p> |
| Rating                        | A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| ISSUE DETAILS                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Mode of Issue                 | Private Placement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Form of issue                 | Debentures will be issued in dematerialized form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Issue size                    | Issue of up to 7000 (seven thousand) unsecured, rated, listed, redeemable, unsubordinated, non-convertible debentures of face value of Rs. 1,00,000/- (rupees one lakh only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) comprising of base issue of INR 20,00,000 (Indian Rupees Twenty Crores only) and green shoe option of INR 50,00,000 (Indian rupees fifty crores only) ("Green Shoe Option") on a private placement basis (the "Issue").                                                                                                                                                             |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|------------------|----------------|--------------------|----------------|--------------------------|----------------|
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |
| Tenor                         | 24 Months (Twenty Four Months). Principal repayment to be made on quarterly basis as per Schedule 1.                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                |                  |                |                    |                |                          |                |
| Face value                    | INR. 1,00,000/- (Indian Rupees One Lakh only)                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |                |                  |                |                    |                |                          |                |
| Issue price                   | Debentures will be issued at par                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |                |                  |                |                    |                |                          |                |
| Issue Schedule                | <table> <tr> <td>Issue Opening Date</td><td>March 24, 2023</td></tr> <tr> <td>Issue Payin Date</td><td>March 27, 2023</td></tr> <tr> <td>Issue Closing Date</td><td>March 24, 2023</td></tr> <tr> <td>Deemed Date of Allotment</td><td>March 27, 2023</td></tr> </table>                                                                                                                                                                                                                                              | Issue Opening Date | March 24, 2023 | Issue Payin Date | March 27, 2023 | Issue Closing Date | March 24, 2023 | Deemed Date of Allotment | March 27, 2023 |
| Issue Opening Date            | March 24, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Issue Payin Date              | March 27, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Issue Closing Date            | March 24, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Deemed Date of Allotment      | March 27, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Objects of the issue          | With a view to raising debt for the ongoing business purposes of the Company. The proceeds of the Issuance will be utilized for General corporate purposes                                                                                                                                                                                                                                                                                                                                                            |                    |                |                  |                |                    |                |                          |                |
| Utilization of issue proceeds | <p>The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated above. No part of the proceeds from the Issue will be used towards:</p> <ul style="list-style-type: none"> <li>i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities;</li> <li>ii. any speculative purposes;</li> <li>iii. investment in the real estate sector; or</li> <li>iv. in contravention of any applicable law</li> </ul> |                    |                |                  |                |                    |                |                          |                |
| <b>REDEMPTION</b>             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |
| Redemption Amount             | Each Debenture shall be redeemed at par.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |                |                  |                |                    |                |                          |                |
| Scheduled Redemption          | Debentures shall be redeemed on a pro rata basis as set out in <b>Schedule 1 (Redemption Schedule)</b> hereto and shall be fully redeemed by the Final Redemption Date.                                                                                                                                                                                                                                                                                                                                               |                    |                |                  |                |                    |                |                          |                |
| Final Redemption Date         | March 27, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Early Redemption              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Early Redemption Premium      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Put Option Date               | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Put Notification Time         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Call Option Date              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| Call Notification Time        | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |                |                  |                |                    |                |                          |                |
| <b>COUPON PAYMENT</b>         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |
| Coupon Type                   | Fixed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                    |                |                  |                |                    |                |                          |                |
| Coupon Rate                   | 10.60% (Ten Decimal Six Zero per cent) per annum payable at such frequency as set out below against the heading 'Coupon Payment Frequency' and on such dates as set out below against the heading 'Coupon Payment Dates'.                                                                                                                                                                                                                                                                                             |                    |                |                  |                |                    |                |                          |                |
| Coupon Payment Frequency      | Quarterly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |                |                  |                |                    |                |                          |                |
| Coupon Payment Dates          | As mentioned in Schedule 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |                |                  |                |                    |                |                          |                |
| Step-up Coupon                | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |
| Step-down Coupon              | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |                |                  |                |                    |                |                          |                |

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| Default interest               | Coupon Rate plus 2.00% (Two Percent) per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Record date                    | 15 calendar days before the due date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>CONVENTIONS</b>             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Day Count Basis                | Actual/Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Business Day                   | Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai & Chennai;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Date Convention                | <p>(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</p> <p>(c) If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>                                                                                           |
| <b>THIRD PARTY OBLIGATIONS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Guarantor(s)                   | Mr V G K Prasad & Mrs Indira Devi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Credit Enhancer(s)             | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Other Obligor(s)               | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>SECURITY CREATION</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Hypothecation                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Portfolio Origination Period   | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Security Cover                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Pledge                         | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Mortgage                       | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>OTHER COVENANTS</b>         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Debenture Redemption Reserve   | If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 <sup>st</sup> day of March of the next year by way of investment and deposits in specified securities on or before the 30 <sup>th</sup> day of April in each year.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Related Party Transactions     | Without prior written intimation to the Lender, the Borrower shall not enter into or perform any transaction(s) with a related party. Without prejudice to the foregoing, the Borrower shall not without the prior written consent of the Lender (i) enter into any transaction(s) in the nature of loans or advances to a related party whereby the overall outstanding amount owed to the Borrower under all such transactions exceeds 10% (Ten Percent) of its net worth, or (ii) provide any guarantee for any indebtedness of a related party. The Lender shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related' party shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies |

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|                       | Act, 2013 (and the Rules framed thereunder).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Affirmative Covenants | <p>(a) To utilise the proceeds of this issue in accordance with applicable laws and regulations</p> <p>(b) To ensure that at least 2 Independent Director are on the Board of the Company</p> <p>(c) To promptly inform notice of winding up / other legal proceedings</p> <p>(d) To promptly inform Material Adverse Effect</p> <p>(e) To provide the Debenture Holders with access to management meetings for periodical portfolio monitoring</p> <p>(f) To comply with corporate governance, fair practices code prescribed by RBI</p> <p>(g) Notification of any potential Event of Default or Event of Default;</p> <p>(h) Obtain, comply with and maintain all licenses / authorizations</p> <p>(i) Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them</p> <p>(j) Comply with any monitoring and/or servicing requests from Debenture Holders/Investors</p> <p>And as set out in greater detail in the Debenture Trust Deed</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Negative Covenants    | <p>The Issuer shall not without the prior written permission of the majority Debenture Holders and Debenture Trustee, do or undertake to do any of the following:</p> <ul style="list-style-type: none"> <li>• Promoters of the company cease to remain in the executive position of the company.</li> <li>• Mergers and Acquisitions, restructuring, amalgamation without approval of Majority Debenture Holders over and above 10% of the Net worth of the Issuer in a financial year</li> <li>• The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.</li> <li>• The Issuer will not purchase or redeem any of its issued shares, or reduce its share capital without the majority Debenture Holders' prior written consent, except for conversion of preference shares;</li> <li>• Issuer shall not without the prior written consent of the Lender effect any change in its Memorandum of Association and Article of Association, except for increase in authorised share capital due to equity infusion.</li> <li>• Unless mandated by law, Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee</li> <li>• Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the majority debenture holder</li> <li>• The Company agrees to declare dividends only out of the profits relating to that financial year and after making all due and necessary provisions, and provided further that there have been no defaults in repayments under the Debentures. In all other cases, prior written consent of the Lender shall be</li> </ul> |

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|                                                       | <p>obtained before declaring dividends.</p> <ul style="list-style-type: none"> <li>• The issuer shall not undertake any new major business outside financial services or any diversification of its business outside financial services, without approval of majority NCD holders</li> <li>• Any change in promoters, control (as defined under Companies Act, 2013.)</li> <li>• Loans exceeding 15% of networth to any single party and/or guarantees on behalf of third parties</li> <li>• Restructuring of any borrowing arrangements</li> <li>• The Issuer shall not, without the prior written consent of the Lender, redeem, purchase, buyback, defease, retire, return or repay any of its equity share capital or resolve to do so.</li> <li>• The Issuer shall not dispose of its assets or compromise with any of its creditors without the prior written consent of the Lender, except in the ordinary course of and pursuant to the reasonable requirements of the Issuer's business and upon fair and reasonable terms.</li> <li>• The Issuer shall not without the prior written consent of the Lender enter into or perform any transaction other than in its ordinary course of business.<br/>For the purpose of this clause, ordinary course of business' shall mean activities which are carried out by the Borrower in line with its Memorandum and Articles of Association and will generally fulfill the following conditions: <ul style="list-style-type: none"> <li>• It is normal for the particular business</li> <li>• It is as per customs and practices of its business and of the Borrower.</li> <li>• It involves the usual allocation of resources considering the size and volume of the transaction.</li> <li>• It is necessary, normal and usual from the perspective of the Borrower and its line of business.</li> <li>• It is at arms length</li> </ul> </li> <li>• The Issuer shall not, without prior written consent by the Lender: <ul style="list-style-type: none"> <li>A) Enter into any transaction(s) (including but not limited to loans or advances and investment by way of share capital, except investment in the Subsidiary IKF Home Finance Ltd.) other than in its ordinary course of business.</li> <li>B) Provide any guarantee.</li> </ul> </li> <li>• Without the prior written consent of the Lender, the Issuer shall not make any material change in its management; cause or permit change in control (as defined under the under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011) of the Issuer; cause or permit acquisition of the ownership of or entitlement to more than twenty-five percent of shares or capital or profits of the Issuer by any natural person(s), who, whether acting alone or together, or through one or more juridical person; enter into any compromise arrangement with its shareholders or creditors, pass a resolution of voluntary winding up or implement any scheme for restructuring or reconstruction, consolidation, amalgamation, merger or other similar purposes or change its shareholding structure</li> </ul> <p>And as set out in greater detail in the Debenture Trust Deed.</p> |
| Restrictions on Dilution of Stake by Key Shareholders | Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of the Borrower held by them                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                               | <p>respectively without the prior written consent of the Lender.</p> <p>Borrower shall procure and furnish the Lender with undertaking(s) issued by the Key Shareholders to that effect as a condition precedent for disbursement of the Facility or any part thereof.</p> <p>Any change in the stake of the Key Shareholders in the Borrower except by way of infusion of additional capital by Promoters shall require prior written consent of the Trustee.</p> <table><tr><th>Name</th><th>Type Of Shareholding</th><th>Existing %'age</th></tr><tr><td>Mr. V. G. K. Prasad</td><td>Ordinary Equity</td><td>34.83%</td></tr><tr><td>Mrs. K Vasumathi Devi</td><td>Ordinary Equity</td><td>4.64%</td></tr><tr><td>Ms. Devineni Vasantha Lakshmi</td><td>Ordinary Equity</td><td>4.37%</td></tr><tr><td>Mr. Vupputuri Raghu Ram</td><td>Ordinary Equity</td><td>3.16%</td></tr><tr><td>Mrs. V. Indira Devi</td><td>Ordinary Equity</td><td>2.89%</td></tr><tr><td>Mrs. Durga Rani Chunduri</td><td>Ordinary Equity</td><td>2.62%</td></tr><tr><td>Sinha Satyanand Chunduri</td><td>Ordinary Equity</td><td>0.21%</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                  | Name           | Type Of Shareholding | Existing %'age | Mr. V. G. K. Prasad | Ordinary Equity | 34.83% | Mrs. K Vasumathi Devi | Ordinary Equity | 4.64% | Ms. Devineni Vasantha Lakshmi | Ordinary Equity | 4.37% | Mr. Vupputuri Raghu Ram | Ordinary Equity | 3.16% | Mrs. V. Indira Devi | Ordinary Equity | 2.89% | Mrs. Durga Rani Chunduri | Ordinary Equity | 2.62% | Sinha Satyanand Chunduri | Ordinary Equity | 0.21% |
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| Name                          | Type Of Shareholding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Existing %'age |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Mr. V. G. K. Prasad           | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 34.83%         |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Mrs. K Vasumathi Devi         | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4.64%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Ms. Devineni Vasantha Lakshmi | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4.37%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Mr. Vupputuri Raghu Ram       | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3.16%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Mrs. V. Indira Devi           | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2.89%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Mrs. Durga Rani Chunduri      | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2.62%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Sinha Satyanand Chunduri      | Ordinary Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.21%          |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |
| Events of Default             | <p><b>Following Events would be construed as Events of Default -</b></p> <ol style="list-style-type: none"><li><b>1. Non-payment of any of the dues under this Issuance, with a grace period of 3 (Three) calendar days in case of delays due to technical reasons;</b></li><li>2. Default or trigger of event of default on any other indebtedness (cross default)</li><li>3. Misrepresentation or misleading information in any of the Transaction Documents</li><li>4. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;</li><li>5. Event of Insolvency, winding up, liquidation</li><li>6. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company;</li><li>7. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof;</li><li>8. Creditors' processes initiated against the company</li></ol> |                |                      |                |                     |                 |        |                       |                 |       |                               |                 |       |                         |                 |       |                     |                 |       |                          |                 |       |                          |                 |       |

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|  | <ol style="list-style-type: none"> <li>9. Repudiation of Transaction Documents</li> <li>10. Cessation of business</li> <li>11. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer</li> <li>12. The Company has taken or suffered to be taken any action for reduction of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;</li> <li>13. Promoters of the Company being declared wilful defaulter.</li> <li>14. The promoter/s and/or the directors of the Company are convicted of criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;</li> <li>15. Erosion of 50% or more of the Company's net worth starting March 31,2023</li> <li>16. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalized, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;</li> <li>17. Occurrence of a Material Adverse Effect (defined below) as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.</li> <li>18. Change in management control without prior written consent from the majority Debenture Trustee. Any new equity raising which results in change in the existing shareholding pattern and related change in board composition would be communicated to Debenture Holders and consent would be sought. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders. However, any changes in control not due to new equity raise will have to be formally approved by debenture holders &amp; deemed consent window is not applicable;</li> <li>19. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</li> <li>20. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days</li> <li>21. Breach of the following covenants: <ol style="list-style-type: none"> <li>a) Affirmative Covenants – (i) Preserve corporate status; authorizations, (ii) Payment of Stamp Duty, (iii) Handling Investor grievances, (iv) Compliance with Investor Education and Protection Fund requirements, (v) Regulatory Filings, (vi) Regulatory requirements in case of a Foreign Investor, (vii) Maintenance of Books of Account and (viii) Corporate Governance;</li> </ol> </li> </ol> |
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|                     | <p>Where such breach is not cured within 30 (thirty) calendar days.</p> <p>b) Negative Covenants - (i) Change of business, (ii) Change of Managing Director and (iii) Dividend distribution in case of default.</p> <p>c) Financial Covenants where such breach is not cured within 60 (Sixty) calendar days.</p> <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <p>(a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents,</p> <p>(b) Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable immediately</p> <p>‘Material Adverse Effect’ shall mean the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer where net worth erodes by more than 10%; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).</p> |
| Reporting Covenants | <p>(b) Monthly Reports – Month end ALM table in the RBI format within 25 working days from the end of the month.</p> <p>(c) <b>QUARTERLY REPORTS</b> - within 60 (Sixty) calendar days after the end of each calendar quarter:</p> <p>(i) Information on financials, operations, portfolio growth &amp; asset quality (static portfolio cuts, collection efficiency and PAR), funding in formats agreeable to the Debenture Holders</p> <p>(ii) List of Board of Directors</p> <p>(iii) Shareholding Pattern</p> <p>(iv) Financial covenant compliance certificate issued by management</p> <p>(v) Any other operational or financial information as may be required by the investor or debenture trustee</p> <p>(vi) Information on:</p> <ul style="list-style-type: none"> <li>• New products introduced, or change in existing product features</li> <li>• New business correspondent relationships or discontinuance of existing relationships</li> <li>• Geographical expansion to any new state</li> <li>• Material changes to the IT / MIS systems</li> <li>• Change in credit bureaus used</li> <li>• Revision in the Business Plan</li> <li>• Changes in the Accounting Policy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|  | <ul style="list-style-type: none"> <li>Any fraud amounting to more than 5% of GLP</li> </ul> <p><b>(d) ANNUAL REPORTS</b> – within 120 days after the end of each fiscal year</p> <ul style="list-style-type: none"> <li>(i) Audited financials</li> <li>(ii) A certificate from the Director/CFO confirming that there is no or Event of Default;</li> <li>(iii) Copy of Structural Liquidity Statement, CRAR, Qualifying asset certificate, Unhedged Foreign currency certificate, submitted to the RBI; and</li> <li>(iv) corporate social responsibility report</li> </ul> <p><b>(e) EVENT BASED REPORTS</b> – within 5 business days after event occurring</p> <ul style="list-style-type: none"> <li>(i) Change in Board of Directors</li> <li>(ii) structure except for transfer of shares, by more than 5%.</li> <li>(iii) Change in the Senior Management officials (any CXO, or equivalent)</li> <li>(iv) Change in statutory auditors</li> <li>(v) Any fraud amounting to more than 1% of Gross Loan Portfolio</li> <li>(vi) Changes in accounting policy</li> <li>(vii) Change in credit bureaus used</li> <li>(viii) Change in the Constitutional Documents of the Company except for the MOA &amp; AOA of the Company;</li> <li>(ix) Material Adverse Effect.</li> <li>(x) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.</li> <li>(xi) Winding up proceedings</li> <li>(xii) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.<br/>Any prepayment or notice of any prepayment of any Indebtedness of the Issuer</li> </ul> <p><b>(f) OTHER COVENANTS</b></p> <ul style="list-style-type: none"> <li>(i) Borrower shall provide details of a) operational information, b) portfolio cuts, c) monthly disbursements d) monthly dpd statement, e) changes in Board &amp; management and f) changes in shareholding pattern on a quarterly basis in the format as specified by the Lender.</li> <li>(ii) The Issuer shall provide details of transactions with related parties and balances outstanding on a quarterly basis in the format as specified by the Lender.</li> <li>(iii) Borrower shall provide the static pool analysis and vintage curve data of the Portfolio and Gross Loan Portfolio in the format as specified by the Lender within 60 days from the end of the quarter. On a quarterly basis beginning from the end of the current financial quarter, the Borrower shall provide an updated version of the static pool analysis and vintage curve data of the Portfolio and Gross Loan Portfolio in the format prescribed by the Lender.</li> <li>(iv) The Issuer shall provide the extract of the loan register covering details of all exposures of INR fifty lakhs or more, at the end of every quarter.</li> <li>(v) The Issuer shall provide information on structural liquidity in the format as may be specified by the Lender, at the end of every quarterly and as and when required by the Lender.</li> <li>(vi) The Issuer shall share information about facilities sanctioned to it by</li> </ul> |
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|                     | <p>other lenders including sanction letters from such other lenders every month.</p> <p>(vii) Borrower shall provide quarterly financial statements to the Lender as within 60 days from the end of each quarter. Further, the Borrower shall submit monthly financial statements as and when requested by the Lender.</p> <p>(viii) Borrower shall provide audited financial statements at the end of each financial year within 120 days from the end of each financial year.</p> <p>(ix) Borrower shall forthwith provide written notice of any material event adversely impacting its business.</p> <p>(x) Borrower shall forthwith provide written notice of occurrence or likely occurrence of any Event of Default.</p> <p>(xi) The Issuer shall furnish a certificate issued by a chartered accountant certifying the end use of the proceeds of the Debentures within 60 (Sixty) days from the deemed date of allotment.</p> <p>(xii) The Issuer shall be required to pay a penalty of INR 6,000/- for each day of delay in the event of non-adherence to the above reporting undertaking on a timely basis.</p> <p>(xiii) The Issuer shall provide details of hypothecated book on a monthly basis and details of scrub output on the hypothecated book from Equifax/CIBIL on a quarterly basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Financial Covenants | <p><b>5. Minimum capital ratio of Tier I Capital and Tier II Capital</b> to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 18.00% (Eighteen Point Zero Zero percent) or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.</p> <p><b>6. Cumulative Asset liability mismatch (excluding Cash Credit limits)</b> should always be positive in all the buckets up to 1 year to the extent of at least 10%. If the said covenant is breached, then the company will have a curing period of 30 days to bring it back to the stated range.</p> <p><b>7. Minimum permissible ratio of Tangible Networth to Gross Loan Portfolio</b> shall be 12.00% (Twelve Point Zero Zero percent).</p> <p><b>8. Maximum permissible ratio of sum of the Par &gt; 90 and write-offs</b> (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00% (Five Point Zero Zero percent), write-offs would be calculated for trailing twelve months.</p> <p><b>Portfolio at Risk greater than 90 days or PAR &gt; 90</b> shall mean, on the Borrower's Gross Loan Portfolio at any point of time, as the case may be, the</p> |

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|                       | <p>outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans.</p> <p><b>Tangible Network</b> means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.</p> <p><b>Gross Loan Portfolio</b> means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.</p> <p><b>NBFC Master Directions</b> means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).</p> <p><b>Net Non Performing Assets</b> shall be calculated as gross non-performing assets less provisioning for non-performing assets. For the purpose of this definition, the terms 'non-performing assets' and 'gross non-performing assets' shall have the meanings stipulated by the RBI to such terms from time to time as may be applicable for the Borrower.</p> <p><b>Tier I Capital</b> shall have the meaning given to it in the NBFC Master Directions.</p> <p><b>Tier II Capital</b> shall have the meaning given to it in the NBFC Master Directions.</p> <p>The Lender shall be granted access to any additional information that it deems necessary to monitor and evaluate compliance with the aforementioned Financial Covenants.</p> <p>The Covenants and Financial Covenants can be tested at any time during the tenure of the Facility. Without prejudice to its other rights under the Facility Documents, Lender reserves the right to levy a penalty of a sum equivalent to 1% (One percent) of the amount outstanding under the Facility on the Borrower in the event of breach of any of the Financial Covenants ("Penalty for Breach"). In such an event, the Borrower shall pay the Penalty for Breach to the Lender within 30 calendar days from the date of such breach.</p> |
| Transaction documents | <p>Debenture Trust Deed, Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures.</p> <p>Disclosure Documents means collectively,</p> <p>(a) the debt disclosure document to be issued by the Issuer in terms of regulations of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (if applicable); and</p> <p>(b) private placement offer letter to be issued by the Issuer in terms of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|                                | <p>section 42 (<i>Offer or invitation for subscription of securities on private placement</i>) of the Companies Act, 2013.</p> <p>Resolutions means collectively,</p> <ul style="list-style-type: none"> <li>(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;</li> <li>(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;</li> <li>(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</li> <li>(d) special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.</li> </ul> |
| Rating covenant                | If any time during the tenor of the debentures, the rating of the instrument is downgraded to BBB- or below, the debenture trustee shall have a right, but not an obligation, to require the issuer to redeem the debentures within a period of 30 days.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Other Costs & Conditions       | The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors' expenses and expenses incurred in the preparation for the Transaction Documents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Governing Law and Jurisdiction | Indian Law with jurisdiction of the courts and tribunals of Chennai.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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**Schedule 1**  
**Redemption Schedule**

| Redemption Instalments | Redemption Date   | Interest per Debenture<br>(in INR) | Amount to be redeemed<br>per Debenture (in INR) |
|------------------------|-------------------|------------------------------------|-------------------------------------------------|
| 1                      | 27 June 2023      | 2,672                              | 12,500                                          |
| 2                      | 27 September 2023 | 2,338                              | 12,500                                          |
| 3                      | 27 December 2023  | 1,982                              | 12,500                                          |
| 4                      | 27 March 2024     | 1,652                              | 12,500                                          |
| 5                      | 27 June 2024      | 1,336                              | 12,500                                          |
| 6                      | 27 September 2024 | 1,002                              | 12,500                                          |
| 7                      | 27 December 2024  | 661                                | 12,500                                          |
| 8                      | 27 March 2025     | 327                                | 12,500                                          |

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## ANNEXURE II: RATING LETTER & RATING RATIONALE



No. CARE/CRO/RL/2022-23/1443

Ms. K Vasumathi Devi  
Managing Director  
IKF Finance Limited  
40-1-144, 3rd floor, Corporate centre,  
MG Road  
Vijayawada  
Andhra Pradesh (New) 500010



March 16, 2023

### Confidential

Dear Madam,

#### Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) issue aggregating to Rs.70 crore of your Company. The proposed NCDs would have tenure of up to 36 months.

2. The following ratings have been assigned by our Rating Committee:

| Sr. No. | Instrument                                   | Amount<br>(Rs. crore)                | Rating <sup>1</sup>                              | Rating Action |
|---------|----------------------------------------------|--------------------------------------|--------------------------------------------------|---------------|
| 1.      | Non-Convertible Debenture - XI<br>(Proposed) | 70.00                                | CARE A; Stable<br>(Single A;<br>Outlook: Stable) | Assigned      |
|         | Total Instruments                            | 70.00<br>(Rs. Seventy<br>Crore Only) |                                                  |               |

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is March 16, 2023).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Details of top 10 investors |
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|-----------------------------------------------|-----------------------------|
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|-----------------------------------------------|-----------------------------|

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

Unit No: O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002  
Phone: +91-44-2849 0811 / 13 / 76

Corporate Office :4th Floor, Godrej Coliseum,  
Somaiya Hospital Road, Off Eastern Express  
Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

CIN-L67I90MH1993PLC071691

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6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
9. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
10. Users of this rating may kindly refer our website [www.careedge.in](http://www.careedge.in) for latest update on the outstanding rating.
11. Our ratings are not recommendations to buy, sell or hold any securities.
12. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,



**Hareesh H**  
Lead Analyst  
[hareesh.h@careedge.in](mailto:hareesh.h@careedge.in)



**Ravi Shankar R**  
Assistant Director  
[ravi.s@careedge.in](mailto:ravi.s@careedge.in)

Encl.: As above

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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

*Rs*

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**Annexure-I**  
**Rating Rationale**  
**IKF Finance Limited**

| Facilities/Instruments                           | Amount (₹ crore)                     | Rating <sup>1</sup>               | Rating Action |
|--------------------------------------------------|--------------------------------------|-----------------------------------|---------------|
| Long Term Bank Facilities                        | 1,800.00<br>(Enhanced from 1,600.00) | CARE A <sub>1</sub> Stable        | Reaffirmed    |
| Subordinated debt - I                            | 25.00                                | CARE A <sub>1</sub> Stable        | Reaffirmed    |
| Subordinated debt - II                           | 140.00                               | CARE A <sub>1</sub> Stable        | Reaffirmed    |
| Principal protected market-linked debentures - I | 30.00                                | CARE PP-MLD A <sub>1</sub> Stable | Reaffirmed    |
| Non Convertible Debentures – XI (Proposed)       | 70.00                                | CARE A <sub>1</sub> Stable        | Assigned      |
| Non Convertible Debentures – VI                  | 50.00                                | CARE A <sub>1</sub> Stable        | Reaffirmed    |
| Non Convertible Debentures - X                   | 50.00                                | CARE A <sub>1</sub> Stable        | Reaffirmed    |

Details of instruments/facilities in Annexure-1.

**Detailed rationale and key rating drivers**

The rating assigned to the debt instruments of IKF Finance Limited (IKF) continues to derive strength from the experienced promoters and management team with balanced growth and a risk policy adopted by the company, the long and established track record of operations in the lending business with a strong brand image, and seasoned and gradual growth in the portfolio over the past several years. The rating further derives strength from the moderately diversified resource profile, the well-defined credit and recovery policy with strong collection systems adopted, the healthy profitability indicators, and the comfortable capital adequacy supported by periodic equity infusion and retention of internal accruals. The rating also takes note of the investment amounting to ₹17 crore in its subsidiary, IKF Home Finance Limited (IKF Home), during FY22 (refers to the period April from 01 to March 31), where the promoters have infused an equivalent amount in IKF in FY21 and FY22. Further, rating also takes note of equity raise of Rs.92 crore during Q4FY23 from HNI's and family offices.

The rating is constrained by the regional concentration of the portfolio, the relatively moderate scale of operations, the inherent risks associated with its borrower profile mostly being self-employed in the informal segment, its exposure to the higher ticket small and medium enterprises (SME) and non-banking financial companies (NBFC) segments, the moderate asset quality along with higher delinquencies in the softer buckets notwithstanding the improvement witnessed during FY22 and the competitive nature of the industry.

**Rating sensitivities: Factors likely to lead to rating actions**

**Positive factors – Factors that could, individually or collectively, lead to positive rating action/upgrade:**

- Sustainable improvement in asset quality along with improvement in delinquencies in softer buckets.
- Growth in the scale of operations with the expansion of portfolio and net worth base, while maintaining profitability and capitalisation at comfortable levels.

**Negative factors – Factors that could, individually or collectively, lead to negative rating action/downgrade:**

- Deterioration in the asset quality with the gross non-performing assets (GNPA) above 6%, thereby impacting the profitability for an extended period.
- Moderation of the capital structure with a weakening of the overall gearing ratio to more than 4.5x on a sustained basis.
- Aggressive growth or migration of the portfolio to segments that lack seasoning benefits.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.in](http://www.careratings.in) and other CARE Ratings Ltd.'s publications

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- Deviation in the envisaged portfolio contribution from the relatively riskier SME segment.

**Analytical approach: Standalone**

**Outlook: Stable**

CARE Ratings believes that the entity shall maintain its healthy profitability profile over the medium term while maintaining comfortable capitalization levels.

**Detailed description of the key rating drivers:**

**Established track record and experienced management team:** IKF has a long track record of about three decades in the vehicle financing segment. VGK Prasad, Chairman, has an established experience of more than three decades, and the business operations of IKF have benefitted from his long-established track record in the auto finance segment and the vast industry network developed over the years. He has also been associated with various other industry associations and has been the President of the Federation of Indian Hire Purchase Associations (FIHPA).

His daughter, K Vasumathi Devi, has succeeded as the Managing Director wef January 2022. The company is well supported by a qualified and experienced management team.

**Well-defined credit policy and improving MIS system:** IKF has a presence in commercial vehicles (CV), construction equipment (CE), and three-wheeler/four-wheeler segments, along with the SME financing segment, and has a well-defined credit policy for each of the segments. With a view to managing the growing scale of operations and exposure in each segment, the company has been improving its technology platform. Its loan origination and credit appraisal processes are now tab-based, resulting in improved efficiency and a better underwriting process. The company has implemented a customised mobile collection module (tab-based system) software for ease of the underwriting process and to ensure lower turn-around time.

IKF has strengthened its collection system by establishing stringent collection processes with early delinquency checks, establishing bucket-wise collection, and strengthening its collection team by hiring professionals with substantial experience in the domain. Also, IKF prefers to sell its repossessed vehicles to its existing customers rather than auctioning them to reduce the loss on the sale of repossessed assets.

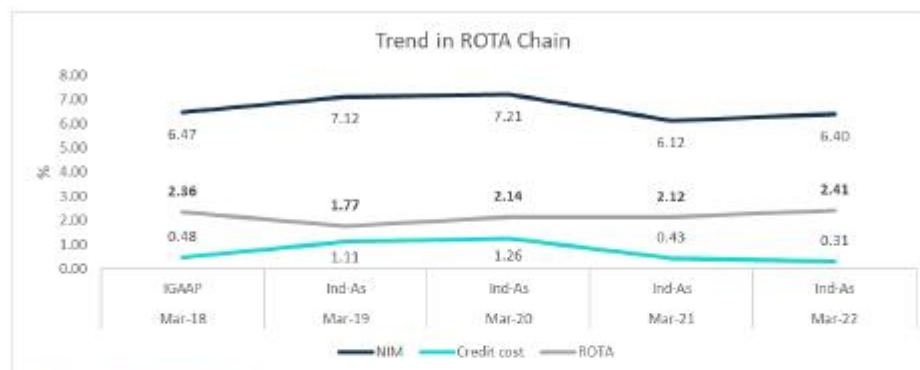
**Healthy profitability profile:** During FY22, IKF reported a profit after tax (PAT) of ₹40 crore on a total income of ₹221 crore as against a PAT of ₹32 crore on a total income of ₹204 crore during FY21.

With an increase in the share of low-yielding three-wheeler and loans to NBFCs, the yield on advances moderated from 15.09% during FY21 to 14.68% during FY22. With an increase in the share of bank borrowings, the cost of funds has improved from 10.04% during FY21 to 9.20% during FY22.

The net interest margin (NIM) improved to 6.40% in FY22 from 6.12% in FY21. With the opening of 20 new branches during FY22, the opex (as a percentage of total assets) increased from 2.49% during FY21 to 2.63% during FY22.

With the asset quality parameters remaining at similar levels and write-back in the provision due to an improvement in stage-II assets, the credit cost improved from 0.43% during FY21 to 0.31% during FY22. Owing to the improvement in the NIM and credit cost, the return on total assets (ROTA) improved from 2.12% during FY21 to 2.41% during FY22.

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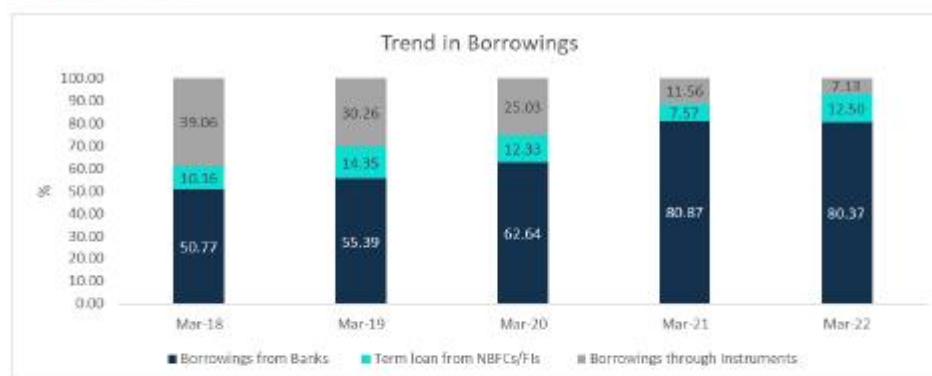


Source: Company data and CARE Ratings.

During 9MFY23 (refers to the period from April 01 to December 31), IKF reported a PAT of ₹33 crore on a total income of ₹200 crore. NIM and ROTA during 9MFY23 stood at 6.01% and 2.14%, respectively.

**Moderately diversified resource profile with an inclination towards banks:** The bank borrowings were the key source of funding for IKF and despite the maturity of various partial credit guarantee (PCG) funds raised by the company during FY21, the proportion of bank borrowings continued to remain high, at 80.37% as on March 31, 2022 (PY: 80.87%), as the company replaced the same with term loans from the banks. Notably, the company has a cash credit (CC) facility of ₹307.20 crore from various banks as on March 31, 2022.

The borrowings as term loans from NBFCs and financial institutions (FI) stood at 8.41% and 4.09%, respectively, as on March 31, 2022, as against 6.88% and 0.69%, respectively, as on March 31, 2021. The borrowings through instruments such as non-convertible debentures (NCDs), sub-debt, and pass-through certificates (PTCs) stood at 3.01%, 3.45% and 0.67%, respectively, as on March 31, 2022, as against 2.54%, 3.59% and 5.43%, respectively, as on March 31, 2021.



Source: Company data and CARE Ratings.

As on December 31, 2022, bank borrowings have decreased to 69.61%, term loans from NBFCs and FIs stood at 13.68%, and borrowings through NCDs, sub-debt and PTCs stood at 7.11%, 9.56% and 0.04%, respectively.

**Comfortable capitalisation:** Aided by regular capital infusion by the promoters and private equity (PE) investors and retention of internal accruals, IKF has been able to maintain capital adequacy at comfortable levels over the past few years.

The capital adequacy ratio (CAR) and Tier-I CAR slightly improved during FY22, from 23.66% and 21.50% as on March 31, 2021, to 24.11% and 21.55% as on March 31, 2022. Notably, the company has infused ₹17 crore in its housing finance subsidiary, IKF Home. However, the same was infused into IKF by the promoters during FY21

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(₹10 crore) and FY22 (₹7 crore). Post the infusion, the shareholding (on a fully dilutive basis) of IKF in IKF Home improved to 92.49% as on March 31, 2022, from 84.31% as on March 31, 2021.

The overall gearing and adjusted gearing (excluding investments in the subsidiary) as on March 31, 2022, stood at 3.39x and 4.05x, respectively, as against 3.71x and 4.28x, respectively, as on March 31, 2021.



As on December 31, 2022, CAR and Tier-I CAR stood at 25.83% and 17.98%, respectively, with an overall gearing of 4.20x. Further, During Q4FY23, HNIs and Family offices have infused equity of Rs.92 crore and the company also has plans for further equity raise going forward.

**Modest scale of operations:** IKF has been in the vehicle finance business since 1991. That said, despite having a track record close to three decades, the size of operations remained moderate with assets under management (AUM) of ₹1,742 crore as on March 31, 2022. Although being modest in size, the company has been able to register continuous growth with comfortable capitalisation.



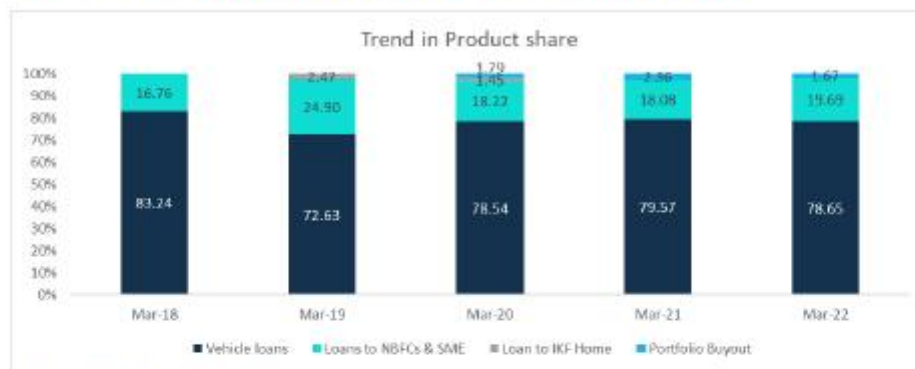
Over the last three years ended March 31, 2022, IKF has grown at a compounded annual growth rate (CAGR) of 12%, from ₹1,227 crore as on March 31, 2019, to ₹1,742 crore as on March 31, 2022 (PY: ₹1,489 crore), including a growth of 17% during FY22.

With the outbreak of the second wave of COVID-19, IKF has controlled the disbursement during Q1FY22 and gradually increased the monthly disbursement post the same. During FY22, IKF disbursed ₹982 crore, which is 65% higher than the COVID-19 hit FY21. Notably, disbursements during FY22 were higher than the pre-COVID-19 level of disbursements.

AUM increased to Rs.2,103 crore as on December 31, 2022 with disbursements of Rs.1,135 crore during 9MFY23. Vehicle finance continues to be the key area of focus for IKF, and the share has remained at around 80% over the past few years, mainly dominated by CV (28.53%), cars and multi-utility vehicles (MUVs; 21.39%), and CE

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(18.72%). The loans to other NBFCs have increased significantly over the last two fiscals, from ₹19 crore as on March 31, 2020, to ₹65 crore as on March 31, 2021, and further to ₹163 crore as on March 31, 2022. The share of SME loans has moderated over the last few years, from 21.8% as on March 31, 2019, to 10.34% as on March 31, 2022. The company largely has a seasoned portfolio with a long presence in the vehicle finance segment. Hence, any large deviation from the same to any other asset class will be key monitorable.



Source: Company data and CARE Ratings.

**Geographical concentration of portfolio:** Over the last two fiscals, IKF has not expanded its operations in new geographies and the company is operating in nine states, covering Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan, through 99 branches as on March 31, 2022 (FY: 82 branches). Nevertheless, the portfolio is concentrated in South India (five states), with 71% of the AUM as on March 31, 2022, as against 66% of AUM as on March 31, 2021. The home states of IKF – Andhra Pradesh and Telangana – constituted 57% of the AUM as on March 31, 2022, against 50% as on March 31, 2021. IKF's portfolio is expected to remain concentrated in south Indian states, especially in Andhra Pradesh and Telangana, in the medium term. In addition, the company has added 20 new branches in FY22, mainly in south India. As on December 31, 2022, the overall exposure of the company in southern India stands at around 67%. The ability of the company to manage the growing scale of operations and operational efficiencies as it opens new branches and enters new geographies to grow the portfolio while maintaining good asset quality will be a key rating factor.

**Exposure to high-ticket SME financing and loans to NBFCs:** IKF has been limiting its disbursements in the SME financing segment over the last three years ended March 31, 2022. The proportion of SME financing on the overall AUM has reduced to 9.35% as on March 31, 2022, from 13.72% as on March 31, 2021. The proportion of SME financing on the overall AUM stood at 8.12% as on December 31, 2022.

The management, as per its strategy, has been reducing the proportion of high-ticket SME financing and as on March 31, 2022, the share of the top 10 SME accounts contributed 23.80% of the SME portfolio and 2.46% of the overall AUM. For IKF, the SME segment is backed by a security cover of about 1.4x (primary and collateral put together).

The loans to other NBFCs have increased significantly over the last two fiscals, from ₹19 crore as on March 31, 2020, to ₹65 crore as on March 31, 2021, and further to ₹163 crore as on March 31, 2022. In line with the same, the share of the top five loan accounts to NBFCs stood at 46% of the total loans to NBFCs as on March 31, 2022, as against 49% as on March 31, 2021. The company currently restricts its exposure to vehicle finance companies only. As on December 31, 2022, loans to other NBFCs stood at Rs.186 crore.

**Moderate asset quality characterised by high delinquency in softer buckets:** Despite the outbreak of the second wave of COVID-19, the company has not provided top-up loans, ECLGS, or one-time restructuring during FY21 and FY22. With lower slippage during FY22, the gross stage-III (GS-3) assets improved from 2.98% as on March 31, 2021, to 2.72% as on March 31, 2022. Notably, the company has written off a portfolio amounting to ₹7.62 crore during FY22 as against ₹10.74 crore during FY21. IKF has increased the stage-III provision coverage from 28% as on March 31, 2021, to 34% as on March 31, 2022. In line with the same, the net stage-III assets improved from 2.19% as on March 31, 2021, to 1.84% as on March 31, 2022.

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Source: Company data and CARE Ratings.

With the higher collection efforts and repossession activities, the delinquency in the softer buckets has shown improvement during FY22 with the stage-II assets improved from 39.74% as on March 31, 2021, to 15.79% as on March 31, 2022.

The gross and net stage-III stood at 2.87% and 2.14%, as on December 31, 2022.

#### Industry outlook and prospects

Growth in the segment has been muted, with a major portion of the growth led by used CVs. New CV disbursements have remained at minimal levels. The slide in growth can be attributed to the COVID-19 pandemic, which affected the CV industry since March 2020 and the pre-COVID slowdown led by various regulatory transitions and the overall slowdown in the economy. The used CV growth is backed by its affordability as compared to new CVs, especially when the rural borrowers' cash flows are impacted. The GS-3 ratios for the sector improved in FY21 despite the pandemic, as NBFCs benefitted from regulatory measures such as moratorium and restructuring, which delayed the recognition of non-performing assets (NPA). However, the sector reflected an increase in the NPAs, led by slippages from restructured accounts and the second wave of COVID-19. Additionally, many NBFCs have made further restructuring under the Restructuring 2.0 framework in Q2FY22. CARE Ratings expects the resultant weakness to lead to higher stressed assets in the near term. On November 12, 2021, the RBI issued a clarification on 'Upgradation of accounts classified as NPAs'. Subsequently, the sector will likely see slippages from those accounts that would have been moved to standard accounts on receipt of part payments. CARE Ratings believes that these stricter norms will lead to a rise in the NPA ratios in the near term, as the actual stress in the sector gets manifested. CARE Ratings expects the CV financing sector to grow by 9-11% under a normal scenario, with a large part of the growth being driven by used CVs. While growth has kickstarted in line with the improving macroeconomic fundamentals and recovery has been observed in the past few months, the economy's performance is yet below the historical levels. CARE Ratings expects asset quality overhang to remain in the near term. Profitability is likely to remain moderate, with income levels supported by income from the direct assignment. Most CV financing entities have strengthened their balance sheet and have shored up capital, which provides comfort against adverse scenarios; nevertheless, asset quality concerns remain.

#### Liquidity: Adequate

IKF's asset liability maturity (ALM) stood adequate, with no negative cumulative mismatches in any of the time buckets up to one year as on December 31, 2022, due to the relatively short nature of its loans as against longer tenure of its borrowings. As on February 28, 2023, the company has cash and bank balance of Rs.89 crore and unavailed lines of credit (including unutilised CC of ₹113 crore) of ₹313 crore.

Of the total borrowings raised during FY22, majority were bank borrowings. The ability of the company to mobilise funds from the banks at a competitive rate with improved incremental cost of borrowings adds comfort.

#### Applicable criteria

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

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[Rating Outlook and Credit Watch](#)  
[Market Linked Notes](#)  
[Policy on Withdrawal of Ratings](#)

## About the company and industry

### Industry Classification

| Macro-Economic Indicator | Sector             | Industry | Basic Industry                       |
|--------------------------|--------------------|----------|--------------------------------------|
| Financial Services       | Financial Services | Finance  | Non Banking Financial Company (NBFC) |

Incorporated in 1991 as Indra Keela Financiers Private Limited, IKF is registered as an asset financing company and non-deposit taking NBFC with the RBI, and is primarily engaged in the business of vehicle and SME segment financing. The company also provides loans to smaller NBFCs. As on March 31, 2022, IKF has a presence across nine states, viz, Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan, through 99 branches and an employee base of 694.

The company is promoted by VGK Prasad, Chairman, who has more than three decades of experience in the industry and is currently managed by Vasumathi Devi, Managing Director. As on March 31, 2022, the promoters hold a 56.86% share, followed by two funds (India Business Excellence Fund II – 14.82% and IIA – 24.78%) managed by Motilal Oswal Private Equity (MOPE), the PE arm of Motilal Oswal Financial Services Limited, and the rest by others.

IKF has a subsidiary, IKF Home, with a shareholding of 92.49% (rest by the promoters) as on March 31, 2022. It is primarily engaged in providing home loan products and refinancing solutions and loan against property (LAP) with an AUM of ₹429 crore and a branch network of 38 spread across six states as on March 31, 2022.

### Financial performance

(₹ crore)

| As on/year ended March 31          | 2020<br>(12m, A) | 2021<br>(12m, A) | 2022<br>(12m, A) |
|------------------------------------|------------------|------------------|------------------|
| <b>Working results</b>             |                  |                  |                  |
| Fund-based income                  | 203              | 202              | 219              |
| Other income                       | 2                | 2                | 2                |
| <b>Total income</b>                | <b>206</b>       | <b>204</b>       | <b>221</b>       |
| Operating expenses                 | 35               | 36               | 43               |
| Total provision/write offs         | 16               | 6                | 5                |
| Depreciation                       | 1                | 1                | 1                |
| Interest                           | 116              | 116              | 118              |
| <b>PAT</b>                         | <b>28</b>        | <b>32</b>        | <b>40</b>        |
| <b>Financial position</b>          |                  |                  |                  |
| Tangible net worth                 | 292              | 338              | 385              |
| Total borrowings                   | 1,058            | 1,255            | 1,307            |
| Loan portfolio                     | 1,260            | 1,402            | 1,563            |
| AUM                                | 1,315            | 1,489            | 1,742            |
| Total assets                       | 1,380            | 1,623            | 1,716            |
| <b>Key ratios (%)</b>              |                  |                  |                  |
| <b>Solvency</b>                    |                  |                  |                  |
| Overall gearing (times)            | 3.62             | 3.71             | 3.39             |
| CAR (%)                            | 21.19            | 23.66            | 24.11            |
| Tier-I CAR (%)                     | 19.54            | 21.50            | 21.55            |
| Interest coverage (times)          | 1.33             | 1.38             | 1.46             |
| <b>Profitability</b>               |                  |                  |                  |
| NIM                                | 7.21             | 6.12             | 6.40             |
| ROTA                               | 2.14             | 2.12             | 2.41             |
| Operating expenses to total assets | 2.78             | 2.49             | 2.63             |
| <b>Asset quality</b>               |                  |                  |                  |

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|                      |      |      |      |
|----------------------|------|------|------|
| Gross NPA ratio      | 2.69 | 2.98 | 2.72 |
| Net NPA ratio        | 1.97 | 2.19 | 1.84 |
| Net NPA to net worth | 8.50 | 9.07 | 7.46 |

A: Audited.

NIM has been calculated as net interest income/average annual total assets.

Ratios have been computed based on average of annual opening and closing balances.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Details of rated facilities:** Please refer Annexure-3

**Complexity level of various instruments rated:** Annexure 4

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-5

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument                                | ISIN         | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------------------------------|--------------|-------------------------------|-----------------|----------------------------|-----------------------------|-------------------------------------------|
| Fund-based - LT-Cash Credit                           | -            | -                             | -               | -                          | 400.00                      | CARE A; Stable                            |
| Fund-based - LT-Term Loan                             | -            | -                             | -               | March, 2028                | 1400.00                     | CARE A; Stable                            |
| Debentures-Non Convertible Debentures – XI (Proposed) | -            | -                             | -               | -                          | 70.00                       | CARE A; Stable                            |
| Debentures-Nonconvertible debentures- VI              | INE859C07063 | July 22, 2020                 | 10.25%          | Apr 21, 2023               | 50.00                       | CARE A; Stable                            |
| Debentures-Nonconvertible debentures- X               | INE859C07147 | Dec 06, 2021                  | 9.00%           | Dec 06, 2023               | 50.00                       | CARE A; Stable                            |
| Debentures-Market-linked debentures – I               | INE859C08087 | Sep 30, 2021                  | Linked to G-Sec | Mar 30, 2023               | 15.00                       | CARE PP-MLD A; Stable                     |
| Debentures-Market-linked debentures – I               | INE859C08095 | Sep 30, 2021                  | Linked to G-Sec | Sep 30, 2023               | 15.00                       | CARE PP-MLD A; Stable                     |
| Debt-Subordinate debt – I                             | INE859C08079 | Jan 19, 2021                  | 13.25%          | Jul 20, 2026               | 25.00                       | CARE A; Stable                            |
| Debt-Subordinate debt – II                            | INE859C08103 | Oct 28, 2022                  | 13.85%          | Apr 28, 2028               | 140.00                      | CARE A; Stable                            |

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**Annexure-2: Rating history for the last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                | Rating History                              |                                             |                                             |                                                              |
|---------|----------------------------------------|-----------------|------------------------------|----------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------------------------------|
|         |                                        | Type            | Amount Outstanding (₹ crore) | Rating         | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020                  |
| 1       | Fund-based - LT- Cash Credit           | LT              | 400.00                       | CARE A; Stable | 1)CARE A; Stable (27-Sep-22)                | 1)CARE A; Stable (29-Sep-21)                | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 2       | Commercial Paper                       | ST              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (11-Mar-20)<br>2)CARE A1 (23-Aug-19)             |
| 3       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | 1)Withdrawn (29-Sep-21)                     | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)                                 |
| 4       | Fund-based - LT- Term Loan             | LT              | 1400.00                      | CARE A; Stable | 1)CARE A; Stable (27-Sep-22)                | 1)CARE A; Stable (29-Sep-21)                | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 5       | Non-fund-based - ST-Bank Guarantee     | ST              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (01-Apr-19)                                      |
| 6       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | -                                           | 1)Withdrawn (07-Oct-20)                     | 1)CARE PP-MLD A; Stable (17-Mar-20)                          |
| 7       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (17-Mar-20)                                      |
| 8       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (17-Mar-20)                                      |
| 9       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | -                                           | 1)Withdrawn (07-Oct-20)                     | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 10      | Debentures-Non Convertible Debentures  | LT              | -                            | -              | 1)Withdrawn (27-Sep-22)                     | 1)CARE A; Stable (29-Sep-21)                | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable             |

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|    |                                             |    |        |                                 |                                               |                                                                                            |                                                                          |                            |
|----|---------------------------------------------|----|--------|---------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------|
|    |                                             |    |        |                                 |                                               |                                                                                            |                                                                          | (26-Jun-19)                |
| 11 | Commercial Paper                            | ST | -      | -                               | -                                             | -                                                                                          | -                                                                        | 1)Withdrawn<br>(11-Mar-20) |
| 12 | Debentures-Non<br>Convertible<br>Debentures | LT | 50.00  | CARE<br>A;<br>Stable            | 1)CARE A;<br>Stable<br>(27-Sep-22)            | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(07-Oct-20)<br>2)CARE A;<br>Stable<br>(12-Jun-20) | -                          |
| 13 | Debentures-Non<br>Convertible<br>Debentures | LT | -      | -                               | 1)Withdrawn<br>(27-Sep-22)                    | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(07-Oct-20)<br>2)CARE A;<br>Stable<br>(20-Jul-20) | -                          |
| 14 | Debentures-Non<br>Convertible<br>Debentures | LT | -      | -                               | 1)Withdrawn<br>(27-Sep-22)                    | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(07-Oct-20)<br>2)CARE A;<br>Stable<br>(24-Aug-20) | -                          |
| 15 | Debentures-Non<br>Convertible<br>Debentures | LT | -      | -                               | 1)Withdrawn<br>(27-Sep-22)                    | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(31-Dec-20)                                       | -                          |
| 16 | Debentures-Non<br>Convertible<br>Debentures | LT | 50.00  | CARE<br>A;<br>Stable            | 1)CARE A;<br>Stable<br>(27-Sep-22)            | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(31-Dec-20)                                       | -                          |
| 17 | Debt-Subordinate<br>Debt                    | LT | 25.00  | CARE<br>A;<br>Stable            | 1)CARE A;<br>Stable<br>(27-Sep-22)            | 1)CARE A;<br>Stable<br>(29-Sep-21)                                                         | 1)CARE A;<br>Stable<br>(31-Dec-20)                                       | -                          |
| 18 | Debentures-Market<br>Linked Debentures      | LT | -      | -                               | -                                             | 1)Withdrawn<br>(05-Oct-21)<br>2)Provisional<br>CARE PP-<br>MLD A;<br>Stable<br>(25-Jun-21) | -                                                                        | -                          |
| 19 | Debentures-Market<br>Linked Debentures      | LT | 30.00  | CARE<br>PP-<br>MLD A;<br>Stable | 1)CARE PP-<br>MLD A;<br>Stable<br>(27-Sep-22) | 1)CARE PP-<br>MLD A;<br>Stable<br>(29-Sep-21)                                              | -                                                                        | -                          |
| 20 | Debt-Subordinate<br>Debt                    | LT | 140.00 | CARE<br>A;<br>Stable            | 1)CARE A;<br>Stable<br>(30-Sep-22)            | -                                                                                          | -                                                                        | -                          |
| 21 | Debentures-Non<br>Convertible<br>Debentures | LT | 70.00  | CARE<br>A;<br>Stable            |                                               |                                                                                            |                                                                          |                            |

\*Long term/Short term.

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### Annexure-3: Details of rated facilities

#### 1. Long Term Facilities

##### 1.A. Term Loans

| Sr. No. | Name of Bank / Lender                      | Rated Amount (Rs. crore) | Debt Repayment Terms                                  |
|---------|--------------------------------------------|--------------------------|-------------------------------------------------------|
| 1.      | Indian Bank                                | 71.25                    | Repayable in 20 Quarterly Instalments ending Sep 2027 |
| 2.      | IDFC First Bank Ltd.                       | 65.91                    | Repayable in 36 Monthly Instalments ending Jun 2025   |
| 3.      | Bandhan Bank Ltd.                          | 63.64                    | Repayable in 11 Quarterly Instalments ending Jul 2025 |
| 4.      | Bank of Maharashtra                        | 50.00                    | Repayable in 15 Quarterly Instalments ending Sep 2026 |
| 5.      | Indian Overseas Bank                       | 50.00                    | Repayable in 20 Quarterly Instalments ending Mar 2028 |
| 6.      | UCO Bank                                   | 50.00                    | Repayable in 18 Quarterly Instalments ending Aug 2027 |
| 7.      | MUDRA Bank                                 | 50.00                    | Repayable in 11 Quarterly Instalments {Unavailed}     |
| 8.      | Small Industries Development Bank of India | 45.90                    | Repayable in 30 Monthly Instalments ending Aug 2025   |
| 9.      | State Bank of India                        | 45.05                    | Repayable in 20 Quarterly Instalments ending Dec 2024 |
| 10.     | Central Bank of India                      | 45.00                    | Repayable in 15 Quarterly Instalments ending Jun 2027 |
| 11.     | Bank of Baroda                             | 40.63                    | Repayable in 16 Quarterly Instalments ending Mar 2026 |
| 12.     | Jana Small Finance Bank Ltd.               | 40.26                    | Repayable in 37 Monthly Instalments ending Jul 2025   |
| 13.     | DBS Bank India Ltd.                        | 30.00                    | Repayable in 33 Monthly Instalments ending Dec 2025   |
| 14.     | Bank of India                              | 29.92                    | Repayable in 20 Quarterly Instalments ending Jan 2026 |
| 15.     | AU Small Finance Bank Ltd.                 | 29.17                    | Repayable in 36 Monthly Instalments ending Nov 2024   |
| 16.     | AU Small Finance Bank Ltd.                 | 29.17                    | Repayable in 36 Monthly Instalments ending Jan 2026   |
| 17.     | Karur Vysya Bank Ltd.                      | 25.00                    | Repayable in 16 Quarterly Instalments ending Mar 2027 |
| 18.     | Ujjivan Small Finance Bank Ltd.            | 25.00                    | Repayable in 36 Monthly Instalments ending Feb 2026   |
| 19.     | Kotak Mahindra Bank Ltd.                   | 23.44                    | Repayable in 16 Quarterly Instalments ending Sep 2026 |
| 20.     | CSB Bank Ltd.                              | 23.33                    | Repayable in 48 Monthly Instalments ending Jun 2026   |
| 21.     | Utkarsh Small Finance Bank Ltd.            | 22.00                    | Repayable in 36 Monthly Instalments ending Feb 2026   |
| 22.     | Karnataka Bank Ltd.                        | 21.88                    | Repayable in 16 Quarterly Instalments ending Jul 2026 |
| 23.     | Woori Bank                                 | 21.67                    | Repayable in 35 Monthly Instalments ending Apr 2025   |
| 24.     | Federal Bank                               | 20.83                    | Repayable in 48 Monthly Instalments ending Jun 2026   |
| 25.     | Dhanlaxmi Bank Ltd.                        | 20.00                    | Repayable in 30 Monthly Instalments ending Dec 2024   |
| 26.     | Central Bank of India                      | 19.50                    | Repayable in 20 Quarterly Instalments ending Mar 2026 |
| 27.     | Yes Bank Ltd.                              | 18.33                    | Repayable in 36 Monthly Instalments ending Dec 2024   |
| 28.     | MUDRA Bank                                 | 18.10                    | Repayable in 11 Quarterly Instalments ending Dec 2024 |
| 29.     | AU Small Finance Bank Ltd.                 | 18.06                    | Repayable in 36 Monthly Instalments ending Apr 2025   |
| 30.     | DBS Bank India Ltd.                        | 17.27                    | Repayable in 33 Monthly Instalments ending Sep 2024   |
| 31.     | Union Bank of India                        | 16.83                    | Repayable in 20 Quarterly Instalments ending Sep 2024 |
| 32.     | Bank of Maharashtra                        | 16.67                    | Repayable in 15 Quarterly Instalments ending Jul 2025 |
| 33.     | HDFC Bank Ltd.                             | 14.56                    | Repayable in 48 Monthly Instalments ending Apr 2025   |
| 34.     | Utkarsh Small Finance Bank Ltd.            | 13.00                    | Repayable in 36 Monthly Instalments ending Apr 2025   |
| 35.     | Ujjivan Small Finance Bank Ltd.            | 11.67                    | Repayable in 36 Monthly Instalments ending Nov 2024   |
| 36.     | HDFC Bank Ltd.                             | 11.41                    | Repayable in 48 Monthly Instalments ending Jan 2026   |
| 37.     | IDBI Bank Ltd.                             | 11.25                    | Repayable in 20 Quarterly Instalments ending Mar 2026 |
| 38.     | Suryoday Small Finance Bank Ltd.           | 11.15                    | Repayable in 37 Monthly Instalments ending Sep 2024   |
| 39.     | Federal Bank                               | 10.67                    | Repayable in 48 Monthly Instalments ending Dec 2025   |

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| Sr. No. | Name of Bank / Lender           | Rated Amount (Rs. crore) | Debt Repayment Terms                                  |
|---------|---------------------------------|--------------------------|-------------------------------------------------------|
| 40.     | Dhanlaxmi Bank Ltd.             | 10.50                    | Repayable in 10 Quarterly Instalments ending Sep 2024 |
| 41.     | HDFC Bank Ltd.                  | 9.50                     | Repayable in 48 Monthly Instalments ending Feb 2024   |
| 42.     | HDFC Bank Ltd.                  | 9.34                     | Repayable in 48 Monthly Instalments ending Jun 2025   |
| 43.     | Bank of Baroda                  | 8.87                     | Repayable in 20 Quarterly Instalments ending Dec 2023 |
| 44.     | State Bank of Mauritius Ltd.    | 8.33                     | Repayable in 12 Quarterly Instalments ending Mar 2024 |
| 45.     | Union Bank of India             | 8.01                     | Repayable in 20 Quarterly Instalments ending Sep 2024 |
| 46.     | Federal Bank                    | 7.81                     | Repayable in 48 Monthly Instalments ending Mar 2025   |
| 47.     | Union Bank of India             | 3.72                     | Repayable in 16 Quarterly Instalments ending Sep 2023 |
| 48.     | Utkarsh Small Finance Bank Ltd. | 1.54                     | Repayable in 39 Monthly Instalments ending Jun 2023   |
| 49.     | Proposed                        | 184.86                   |                                                       |
|         | <b>Total</b>                    | <b>1,400.00</b>          |                                                       |

#### 1.B. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) | Remarks |
|---------|-----------------------|--------------------------|---------|
| 1.      | Central Bank of India | 95.00                    | CC/WCDL |
| 2.      | Union Bank of India   | 77.00                    | CC/WCDL |
| 3.      | Indian Overseas Bank  | 44.00                    | CC/WCDL |
| 4.      | HDFC Bank Ltd.        | 30.00                    | CC/WCDL |
| 5.      | DCB Bank Ltd.         | 25.00                    | CC/WCDL |
| 6.      | IDBI Bank Ltd.        | 20.00                    | CC/WCDL |
| 7.      | Punjab National Bank  | 18.20                    | CC/WCDL |
| 8.      | Yes Bank Ltd.         | 16.00                    | CC/WCDL |
| 9.      | Federal Bank          | 15.00                    | CC/WCDL |
| 10.     | Proposed              | 59.80                    |         |
|         | <b>Total</b>          | <b>400.00</b>            |         |

Total Long Term Facilities : Rs.1,800.00 crore

Total Facilities (1.A+1.B) : Rs.1,800.00 crore

#### Annexure-4: Complexity level of the various instruments rated

| Sr. No. | Name of the Instrument                | Complexity Level |
|---------|---------------------------------------|------------------|
| 1       | Debentures-Market Linked Debentures   | Complex          |
| 2       | Debentures-Non Convertible Debentures | Simple           |
| 3       | Debt-Subordinate Debt                 | Simple           |
| 4       | Fund-based - LT-Cash Credit           | Simple           |
| 5       | Fund-based - LT-Term Loan             | Simple           |

#### Annexure-5: Detailed explanation of the covenants of the rated instruments/facilities:

Not Applicable

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### Contact us

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)

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**Annexure-II**  
**Press Release**  
**IKF Finance Limited**

| Facilities/Instruments                           | Amount (₹ crore)                     | Rating <sup>1</sup>   | Rating Action |
|--------------------------------------------------|--------------------------------------|-----------------------|---------------|
| Long Term Bank Facilities                        | 1,800.00<br>(Enhanced from 1,600.00) | CARE A; Stable        | Reaffirmed    |
| Subordinated debt - I                            | 25.00                                | CARE A; Stable        | Reaffirmed    |
| Subordinated debt - II                           | 140.00                               | CARE A; Stable        | Reaffirmed    |
| Principal protected market-linked debentures - I | 30.00                                | CARE PP-MLD A; Stable | Reaffirmed    |
| Non-Convertible Debentures – XI (Proposed)       | 70.00                                | CARE A; Stable        | Assigned      |
| Non-Convertible Debentures – VI                  | 50.00                                | CARE A; Stable        | Reaffirmed    |
| Non-Convertible Debentures - X                   | 50.00                                | CARE A; Stable        | Reaffirmed    |

Details of instruments/facilities in Annexure-1.

**Rationale and key rating drivers**

The rating assigned to the debt instruments of IKF Finance Limited (IKF) continues to derive strength from the experienced promoters and management team with balanced growth and a risk policy adopted by the company, the long and established track record of operations in the lending business with a strong brand image, and seasoned and gradual growth in the portfolio over the past several years. The rating further derives strength from the moderately diversified resource profile, the well-defined credit and recovery policy with strong collection systems adopted, the healthy profitability indicators, and the comfortable capital adequacy supported by periodic equity infusion and retention of internal accruals. The rating also takes note of the investment amounting to ₹17 crore in its subsidiary, IKF Home Finance Limited (IKF Home), during FY22 (refers to the period April from 01 to March 31), where the promoters have infused an equivalent amount in IKF in FY21 and FY22. Further, rating also takes note of equity raise of Rs.92 crore during Q4FY23 from HNI's and family offices.

The rating is constrained by the regional concentration of the portfolio, the relatively moderate scale of operations, the inherent risks associated with its borrower profile mostly being self-employed in the informal segment, its exposure to the higher ticket small and medium enterprises (SME) and non-banking financial companies (NBFC) segments, the moderate asset quality along with higher delinquencies in the softer buckets notwithstanding the improvement witnessed during FY22 and the competitive nature of the industry.

**Rating sensitivities: Factors likely to lead to rating actions**

**Positive factors – Factors that could, individually or collectively, lead to positive rating action/upgrade:**

- Sustainable improvement in asset quality along with improvement in delinquencies in softer buckets.
- Growth in the scale of operations with the expansion of portfolio and net worth base, while maintaining profitability and capitalisation at comfortable levels.

**Negative factors – Factors that could, individually or collectively, lead to negative rating action/downgrade:**

- Deterioration in the asset equality with the gross non-performing assets (GNPA) above 6%, thereby impacting the profitability for an extended period.
- Moderation of the capital structure with a weakening of the overall gearing ratio to more than 4.5x on a sustained basis.
- Aggressive growth or migration of the portfolio to segments that lack seasoning benefits.
- Deviation in the envisaged portfolio contribution from the relatively riskier SME segment.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.caresratings.in](http://www.caresratings.in) and other CARE Ratings Ltd.'s publications

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**Analytical approach:** Standalone

**Outlook:** Stable

CARE Ratings believes that the entity shall maintain its healthy profitability profile over the medium term while maintaining comfortable capitalization levels.

**Key strengths**

**Established track record and experienced management team:** IKF has a long track record of about three decades in the vehicle financing segment. VGK Prasad, Chairman, has an established experience of more than three decades, and the business operations of IKF have benefitted from his long-established track record in the auto finance segment and the vast industry network developed over the years. He has also been associated with various other industry associations and has been the President of the Federation of Indian Hire Purchase Associations (FIHPA).

His daughter, K Vasumathi Devi, has succeeded as the Managing Director wef January 2022. The company is well supported by a qualified and experienced management team.

**Well-defined credit policy and improving MIS system:** IKF has a presence in commercial vehicles (CV), construction equipment (CE), and three-wheeler/four-wheeler segments, along with the SME financing segment, and has a well-defined credit policy for each of the segments. With a view to managing the growing scale of operations and exposure in each segment, the company has been improving its technology platform. Its loan origination and credit appraisal processes are now tab-based, resulting in improved efficiency and a better underwriting process. The company has implemented a customised mobile collection module (tab-based system) software for ease of the underwriting process and to ensure lower turn-around time.

IKF has strengthened its collection system by establishing stringent collection processes with early delinquency checks, establishing bucket-wise collection, and strengthening its collection team by hiring professionals with substantial experience in the domain. Also, IKF prefers to sell its repossessed vehicles to its existing customers rather than auctioning them to reduce the loss on the sale of repossessed assets.

**Healthy profitability profile:** During FY22, IKF reported a profit after tax (PAT) of ₹40 crore on a total income of ₹221 crore as against a PAT of ₹32 crore on a total income of ₹204 crore during FY21.

With an increase in the share of low-yielding three-wheeler and loans to NBFCs, the yield on advances moderated from 15.09% during FY21 to 14.68% during FY22. With an increase in the share of bank borrowings, the cost of funds has improved from 10.04% during FY21 to 9.20% during FY22.

The net interest margin (NIM) improved to 6.40% in FY22 from 6.12% in FY21. With the opening of 20 new branches during FY22, the opex (as a percentage of total assets) increased from 2.49% during FY21 to 2.63% during FY22.

With the asset quality parameters remaining at similar levels and write-back in the provision due to an improvement in stage-II assets, the credit cost improved from 0.43% during FY21 to 0.31% during FY22. Owing to the improvement in the NIM and credit cost, the return on total assets (ROTA) improved from 2.12% during FY21 to 2.41% during FY22.

During 9MFY23 (refers to the period from April 01 to December 31), IKF reported a PAT of ₹33 crore on a total income of ₹200 crore. NIM and ROTA during 9MFY23 stood at 6.01% and 2.14%, respectively.

**Moderately diversified resource profile with an inclination towards banks:** The bank borrowings were the key source of funding for IKF and despite the maturity of various partial credit guarantee (PCG) funds raised by the company during FY21, the proportion of bank borrowings continued to remain high, at 80.37% as on March 31, 2022 (FY: 80.87%), as the company replaced the same with term loans from the banks. Notably, the company has a cash credit (CC) facility of ₹307.20 crore from various banks as on March 31, 2022.

The borrowings as term loans from NBFCs and financial institutions (FI) stood at 8.41% and 4.09%, respectively, as on March 31, 2022, as against 6.88% and 0.69%, respectively, as on March 31, 2021. The borrowings through instruments such as non-convertible debentures (NCDs), sub-debt, and pass-through certificates (PTCs) stood at 3.01%, 3.45% and 0.67%, respectively, as on March 31, 2022, as against 2.54%, 3.59% and 5.43%, respectively, as on March 31, 2021.

As on December 31, 2022, bank borrowings have decreased to 69.61%, term loans from NBFCs and FIs stood at 13.68%, and borrowings through NCDs, sub-debt and PTCs stood at 7.11%, 9.56% and 0.04%, respectively.

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**Comfortable capitalisation:** Aided by regular capital infusion by the promoters and private equity (PE) investors and retention of internal accruals, IKF has been able to maintain capital adequacy at comfortable levels over the past few years.

The capital adequacy ratio (CAR) and Tier-I CAR slightly improved during FY22, from 23.66% and 21.50% as on March 31, 2021, to 24.11% and 21.55% as on March 31, 2022. Notably, the company has infused ₹17 crore in its housing finance subsidiary, IKF Home. However, the same was infused into IKF by the promoters during FY21 (₹10 crore) and FY22 (₹7 crore). Post the infusion, the shareholding (on a fully dilutive basis) of IKF in IKF Home improved to 92.49% as on March 31, 2022, from 84.31% as on March 31, 2021.

The overall gearing and adjusted gearing (excluding investments in the subsidiary) as on March 31, 2022, stood at 3.39x and 4.05x, respectively, as against 3.71x and 4.28x, respectively, as on March 31, 2021.

As on December 31, 2022, CAR and Tier-I CAR stood at 25.83% and 17.98%, respectively, with an overall gearing of 4.20x. Further, During Q4FY23, HNIs and Family offices have infused equity of Rs.92 crore and the company also has plans for further equity raise going forward.

#### Key weaknesses

**Modest scale of operations:** IKF has been in the vehicle finance business since 1991. That said, despite having a track record close to three decades, the size of operations remained moderate with assets under management (AUM) of ₹1,742 crore as on March 31, 2022. Although being modest in size, the company has been able to register continuous growth with comfortable capitalisation.

Over the last three years ended March 31, 2022, IKF has grown at a compounded annual growth rate (CAGR) of 12%, from ₹1,227 crore as on March 31, 2019, to ₹1,742 crore as on March 31, 2022 (PY: ₹1,489 crore), including a growth of 17% during FY22.

With the outbreak of the second wave of COVID-19, IKF has controlled the disbursement during Q1FY22 and gradually increased the monthly disbursement post the same. During FY22, IKF disbursed ₹982 crore, which is 65% higher than the COVID-19 hit FY21. Notably, disbursements during FY22 were higher than the pre-COVID-19 level of disbursements.

AUM increased to Rs.2,103 crore as on December 31, 2022 with disbursements of Rs.1,135 crore during 9MFY23. Vehicle finance continues to be the key area of focus for IKF, and the share has remained at around 80% over the past few years, mainly dominated by CV (28.53%), cars and multi-utility vehicles (MUVs; 21.39%), and CE (18.72%). The loans to other NBFCs have increased significantly over the last two fiscals, from ₹19 crore as on March 31, 2020, to ₹65 crore as on March 31, 2021, and further to ₹163 crore as on March 31, 2022. The share of SME loans has moderated over the last few years, from 21.8% as on March 31, 2019, to 10.34% as on March 31, 2022. The company largely has a seasoned portfolio with a long presence in the vehicle finance segment. Hence, any large deviation from the same to any other asset class will be key monitorable.

**Geographical concentration of portfolio:** Over the last two fiscals, IKF has not expanded its operations in new geographies and the company is operating in nine states, covering Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan, through 99 branches as on March 31, 2022 (PY: 82 branches). Nevertheless, the portfolio is concentrated in South India (five states), with 71% of the AUM as on March 31, 2022, as against 66% of AUM as on March 31, 2021. The home states of IKF – Andhra Pradesh and Telangana – constituted 57% of the AUM as on March 31, 2022, against 50% as on March 31, 2021. IKF's portfolio is expected to remain concentrated in south Indian states, especially in Andhra Pradesh and Telangana, in the medium term. In addition, the company has added 20 new branches in FY22, mainly in south India. As on December 31, 2022, the overall exposure of the company in southern India stands at around 67%. The ability of the company to manage the growing scale of operations and operational efficiencies as it opens new branches and enters new geographies to grow the portfolio while maintaining good asset quality will be a key rating factor.

**Exposure to high-ticket SME financing and loans to NBFCs:** IKF has been limiting its disbursements in the SME financing segment over the last three years ended March 31, 2022. The proportion of SME financing on the overall AUM has reduced to 9.35% as on March 31, 2022, from 13.72% as on March 31, 2021. The proportion of SME financing on the overall AUM stood at 8.12% as on December 31, 2022.

The management, as per its strategy, has been reducing the proportion of high-ticket SME financing and as on March 31, 2022, the share of the top 10 SME accounts contributed 23.80% of the SME portfolio and 2.46% of

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the overall AUM. For IKF, the SME segment is backed by a security cover of about 1.4x (primary and collateral put together).

The loans to other NBFCs have increased significantly over the last two fiscals, from ₹19 crore as on March 31, 2020, to ₹65 crore as on March 31, 2021, and further to ₹163 crore as on March 31, 2022. In line with the same, the share of the top five loan accounts to NBFCs stood at 46% of the total loans to NBFCs as on March 31, 2022, as against 49% as on March 31, 2021. The company currently restricts its exposure to vehicle finance companies only. As on December 31, 2022, loans to other NBFCs stood at Rs.186 crore.

**Moderate asset quality characterised by high delinquency in softer buckets:** Despite the outbreak of the second wave of COVID-19, the company has not provided top-up loans, ECLGS, or one-time restructuring during FY21 and FY22. With lower slippage during FY22, the gross stage-III (GS-3) assets improved from 2.98% as on March 31, 2021, to 2.72% as on March 31, 2022. Notably, the company has written off a portfolio amounting to ₹7.62 crore during FY22 as against ₹10.74 crore during FY21. IKF has increased the stage-III provision coverage from 28% as on March 31, 2021, to 34% as on March 31, 2022. In line with the same, the net stage-III assets improved from 2.19% as on March 31, 2021, to 1.84% as on March 31, 2022.

With the higher collection efforts and repossession activities, the delinquency in the softer buckets has shown improvement during FY22 with the stage-II assets improved from 39.74% as on March 31, 2021, to 15.79% as on March 31, 2022.

The gross and net stage-III stood at 2.87% and 2.14%, as on December 31, 2022.

#### Industry outlook and prospects

Growth in the segment has been muted, with a major portion of the growth led by used CVs. New CV disbursements have remained at minimal levels. The slide in growth can be attributed to the COVID-19 pandemic, which affected the CV industry since March 2020 and the pre-COVID slowdown led by various regulatory transitions and the overall slowdown in the economy. The used CV growth is backed by its affordability as compared to new CVs, especially when the rural borrowers' cash flows are impacted. The GS-3 ratios for the sector improved in FY21 despite the pandemic, as NBFCs benefitted from regulatory measures such as moratorium and restructuring, which delayed the recognition of non-performing assets (NPA). However, the sector reflected an increase in the NPAs, led by slippages from restructured accounts and the second wave of COVID-19. Additionally, many NBFCs have made further restructuring under the Restructuring 2.0 framework in Q2FY22. CARE Ratings expects the resultant weakness to lead to higher stressed assets in the near term. On November 12, 2021, the RBI issued a clarification on 'Upgradation of accounts classified as NPAs'. Subsequently, the sector will likely see slippages from those accounts that would have been moved to standard accounts on receipt of part payments. CARE Ratings believes that these stricter norms will lead to a rise in the NPA ratios in the near term, as the actual stress in the sector gets manifested. CARE Ratings expects the CV financing sector to grow by 9-11% under a normal scenario, with a large part of the growth being driven by used CVs. While growth has kickstarted in line with the improving macroeconomic fundamentals and recovery has been observed in the past few months, the economy's performance is yet below the historical levels. CARE Ratings expects asset quality overhang to remain in the near term. Profitability is likely to remain moderate, with income levels supported by income from the direct assignment. Most CV financing entities have strengthened their balance sheet and have shored up capital, which provides comfort against adverse scenarios; nevertheless, asset quality concerns remain.

#### Liquidity: Adequate

IKF's asset liability maturity (ALM) stood adequate, with no negative cumulative mismatches in any of the time buckets up to one year as on December 31, 2022, due to the relatively short nature of its loans as against longer tenure of its borrowings. As on February 28, 2023, the company has cash and bank balance of Rs.89 crore and unavailed lines of credit (including unutilised CC of ₹113 crore) of ₹313 crore.

Of the total borrowings raised during FY22, majority were bank borrowings. The ability of the company to mobilise funds from the banks at a competitive rate with improved incremental cost of borrowings adds comfort.

#### Applicable criteria

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Market Linked Notes](#)

[Policy on Withdrawal of Ratings](#)

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## About the company and industry

### Industry Classification

| Macro-Economic Indicator | Sector             | Industry | Basic Industry                       |
|--------------------------|--------------------|----------|--------------------------------------|
| Financial Services       | Financial Services | Finance  | Non Banking Financial Company (NBFC) |

Incorporated in 1991 as Indra Keela Financiers Private Limited, IKF is registered as an asset financing company and non-deposit taking NBFC with the RBI, and is primarily engaged in the business of vehicle and SME segment financing. The company also provides loans to smaller NBFCs. As on March 31, 2022, IKF has a presence across nine states, viz, Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan, through 99 branches and an employee base of 694.

The company is promoted by VGK Prasad, Chairman, who has more than three decades of experience in the industry and is currently managed by Vasumathi Devi, Managing Director. As on March 31, 2022, the promoters hold a 56.86% share, followed by two funds (India Business Excellence Fund II – 14.82% and IIA – 24.78%) managed by Motilal Oswal Private Equity (MOPE), the PE arm of Motilal Oswal Financial Services Limited, and the rest by others.

IKF has a subsidiary, IKF Home, with a shareholding of 92.49% (rest by the promoters) as on March 31, 2022. It is primarily engaged in providing home loan products and refinancing solutions and loan against property (LAP) with an AUM of ₹429 crore and a branch network of 38 spread across six states as on March 31, 2022.

| Brief Financials (₹ crore) | 31-03-2021 (A) | 31-03-2022 (A) | 9MFY23 (UA) |
|----------------------------|----------------|----------------|-------------|
| Total operating income     | 204            | 221            | 200         |
| PAT                        | 32             | 40             | 33          |
| Interest coverage (times)  | 1.38           | 1.46           | 1.42        |
| Total Assets               | 1,623          | 1,716          | 2,377       |
| Net NPA (%)                | 2.19           | 1.82           | 2.14        |
| ROTA (%)                   | 2.12           | 2.41           | 2.14        |

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

### Annexure-1: Details of instruments/facilities

| Name of the Instrument                                | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|-------------------------------------------|
| Fund-based - LT-Cash Credit                           | -    | -                             | -               | -                          | 400.00                      | CARE A; Stable                            |
| Fund-based - LT-Term Loan                             | -    | -                             | -               | March, 2028                | 1400.00                     | CARE A; Stable                            |
| Debentures-Non Convertible Debentures – XI (Proposed) | -    | -                             | -               | -                          | 70.00                       | CARE A; Stable                            |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                          |              |               |                 |              |        |                       |
|------------------------------------------|--------------|---------------|-----------------|--------------|--------|-----------------------|
| Debentures-Nonconvertible debentures- VI | INE859C07063 | July 22, 2020 | 10.25%          | Apr 21, 2023 | 50.00  | CARE A; Stable        |
| Debentures-Nonconvertible debentures- X  | INE859C07147 | Dec 06, 2021  | 9.00%           | Dec 06, 2023 | 50.00  | CARE A; Stable        |
| Debentures-Market-linked debentures – I  | INE859C08087 | Sep 30, 2021  | Linked to G-Sec | Mar 30, 2023 | 15.00  | CARE PP-MLD A; Stable |
| Debentures-Market-linked debentures – I  | INE859C08095 | Sep 30, 2021  | Linked to G-Sec | Sep 30, 2023 | 15.00  | CARE PP-MLD A; Stable |
| Debt-Subordinate debt – I                | INE859C08079 | Jan 19, 2021  | 13.25%          | Jul 20, 2026 | 25.00  | CARE A; Stable        |
| Debt-Subordinate debt – II               | INE859C08103 | Oct 28, 2022  | 13.85%          | Apr 28, 2028 | 140.00 | CARE A; Stable        |

**Annexure-2: Rating history for the last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                | Rating History                              |                                             |                                             |                                                              |
|---------|----------------------------------------|-----------------|------------------------------|----------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------------------------------|
|         |                                        | Type            | Amount Outstanding (₹ crore) | Rating         | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020                  |
| 1       | Fund-based - LT-Cash Credit            | LT              | 400.00                       | CARE A; Stable | 1)CARE A; Stable (27-Sep-22)                | 1)CARE A; Stable (29-Sep-21)                | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 2       | Commercial Paper                       | ST              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (11-Mar-20)<br>2)CARE A1 (23-Aug-19)             |
| 3       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | 1)Withdrawn (29-Sep-21)                     | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)                                 |
| 4       | Fund-based - LT-Term Loan              | LT              | 1400.00                      | CARE A; Stable | 1)CARE A; Stable (27-Sep-22)                | 1)CARE A; Stable (29-Sep-21)                | 1)CARE A; Stable (07-Oct-20)                | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 5       | Non-fund-based - ST-Bank Guarantee     | ST              | -                            | -              | -                                           | -                                           | -                                           | 1)Withdrawn (01-Apr-19)                                      |
| 6       | Debentures-Non Convertible Debentures  | LT              | -                            | -              | -                                           | -                                           | 1)Withdrawn (07-Oct-20)                     | 1)CARE PP-MLD A; Stable (17-Mar-20)                          |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|    |                                       |    |       |                |                              |                              |                                                              |                                                              |
|----|---------------------------------------|----|-------|----------------|------------------------------|------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| 7  | Debentures-Non Convertible Debentures | LT | -     | -              | -                            | -                            | -                                                            | 1)Withdrawn (17-Mar-20)                                      |
| 8  | Debentures-Non Convertible Debentures | LT | -     | -              | -                            | -                            | -                                                            | 1)Withdrawn (17-Mar-20)                                      |
| 9  | Debentures-Non Convertible Debentures | LT | -     | -              | -                            | -                            | 1)Withdrawn (07-Oct-20)                                      | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) |
| 10 | Debentures-Non Convertible Debentures | LT | -     | -              | 1)Withdrawn (27-Sep-22)      | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (07-Oct-20)                                 | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (26-Jun-19) |
| 11 | Commercial Paper                      | ST | -     | -              | -                            | -                            | -                                                            | 1)Withdrawn (11-Mar-20)                                      |
| 12 | Debentures-Non Convertible Debentures | LT | 50.00 | CARE A; Stable | 1)CARE A; Stable (27-Sep-22) | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (12-Jun-20) | -                                                            |
| 13 | Debentures-Non Convertible Debentures | LT | -     | -              | 1)Withdrawn (27-Sep-22)      | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (20-Jul-20) | -                                                            |
| 14 | Debentures-Non Convertible Debentures | LT | -     | -              | 1)Withdrawn (27-Sep-22)      | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (24-Aug-20) | -                                                            |
| 15 | Debentures-Non Convertible Debentures | LT | -     | -              | 1)Withdrawn (27-Sep-22)      | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (31-Dec-20)                                 | -                                                            |
| 16 | Debentures-Non Convertible Debentures | LT | 50.00 | CARE A; Stable | 1)CARE A; Stable (27-Sep-22) | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (31-Dec-20)                                 | -                                                            |
| 17 | Debt-Subordinate Debt                 | LT | 25.00 | CARE A; Stable | 1)CARE A; Stable (27-Sep-22) | 1)CARE A; Stable (29-Sep-21) | 1)CARE A; Stable (31-Dec-20)                                 | -                                                            |
| 18 | Debentures-Market Linked Debentures   | LT | -     | -              | -                            | 1)Withdrawn (05-Oct-21)      | -                                                            | -                                                            |

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|    |                                             |    |        |                                 |                                               |                                                              |   |   |
|----|---------------------------------------------|----|--------|---------------------------------|-----------------------------------------------|--------------------------------------------------------------|---|---|
|    |                                             |    |        |                                 |                                               | 2)Provisional<br>CARE PP-<br>MLD A;<br>Stable<br>(25-Jun-21) |   |   |
| 19 | Debentures-Market<br>Linked Debentures      | LT | 30.00  | CARE<br>PP-<br>MLD A;<br>Stable | 1)CARE PP-<br>MLD A;<br>Stable<br>(27-Sep-22) | 1)CARE PP-<br>MLD A;<br>Stable<br>(29-Sep-21)                | - | - |
| 20 | Debt-Subordinate<br>Debt                    | LT | 140.00 | CARE<br>A;<br>Stable            | 1)CARE A;<br>Stable<br>(30-Sep-22)            | -                                                            | - | - |
| 21 | Debentures-Non<br>Convertible<br>Debentures | LT | 70.00  | CARE<br>A;<br>Stable            |                                               |                                                              |   |   |

\*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated**

| Sr. No. | Name of the Instrument                | Complexity Level |
|---------|---------------------------------------|------------------|
| 1       | Debentures-Market Linked Debentures   | Complex          |
| 2       | Debentures-Non-Convertible Debentures | Simple           |
| 3       | Debt-Subordinate Debt                 | Simple           |
| 4       | Fund-based - LT-Cash Credit           | Simple           |
| 5       | Fund-based - LT-Term Loan             | Simple           |

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

#### Contact us

|                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Media Contact</b><br><br>Name: Mradul Mishra<br>Director<br>CARE Ratings Limited<br>Phone: +91-22-6754 3596<br>E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a><br><br><b>Relationship Contact</b><br><br>Name: Pradeep Kumar V<br>Senior Director<br>CARE Ratings Limited<br>Phone: +91-98407 54521<br>E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a> | <b>Analytical Contacts</b><br><br>Name: P Sudhakar<br>Director<br>CARE Ratings Limited<br>Phone: +91-44-2850 1003<br>E-mail: <a href="mailto:p.sudhakar@careedge.in">p.sudhakar@careedge.in</a><br><br>Name: Ravi Shankar R<br>Assistant Director<br>CARE Ratings Limited<br>Phone: +91-44-2850 1016<br>E-mail: <a href="mailto:ravi.s@careedge.in">ravi.s@careedge.in</a><br><br>Name: Hareesh H<br>Lead Analyst<br>CARE Ratings Limited<br>E-mail: <a href="mailto:hareesh.h@careedge.in">hareesh.h@careedge.in</a> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

#### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)

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### ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CIN: U65993WB2010PTC152401

 **VARDHMAN**  
TRUSTEESHIP PVT LTD  
Nurturing & Protecting Your Trust

Ref: 656/OPR/VTPL/2022-23

Date: 17<sup>th</sup> March, 2023

|                                                                                                                                                                                           |                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| To,<br>Securities Exchange Board of India<br>Investment Management Department<br>Division of Funds – I, Plot No. C 4 A, G Block,<br>Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 | To,<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai- 400001 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|

Dear Sir / Madam

**SUB: ISSUE OF UNSUBORDINATED, RATED, LISTED, UNSECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES AGGREGATING UP TO 70 CRORES ("ISSUE") ON PRIVATE PLACEMENT BASIS BY IKF FINANCE LIMITED ("COMPANY").**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports, and certifications.
2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports, and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued. **Not Applicable**
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies). **Not Applicable**
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement. **Not Applicable**
- e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application
- f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application. **Not Applicable**
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair, and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue. **Not Applicable**

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: MUMBAI

Date: 17-03-2023

For Vardhman Trusteeship Pvt. Ltd.

  
Authorized Signatory



Registered Office Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata - 700001.  
Corporate Office The Capital, 412A, Bandra Kurla Complex, Bandra (East), Mumbai- 400051.  
+91 22 4264 8335 / +91 22 4014 0832  
corporate@vardhmantrustee.com www.vardhmantrustee.com



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANNEXURE IV: APPLICATION FORM  
IKF FINANCE LIMITED**

A public limited company incorporated under the Companies Act, 1956

**Date of Incorporation:** May 30, 1991; **CIN:** U65992AP1991PLC012736

**Registered Office:** 40-1-144, 3rd Floor, Corporate Centre, M.G. Road, Vijayawada - 520010

**Corporate Office:** Plot Nos: 30/A, Survey No: 83/1, 11th Floor, Myhome Twitza, APIIC Hyderabad Knowledge City, Raidurg (Panmaqtha) Village, Serilingampally Mandal, Rangareddy District, Hyderabad-500081, Telanagana ;

**Contact Person:** Ch Sreenivasa Rao; **E-mail:** sreenivas@ikffinance.com;

**Telephone No.:** 0866-2474644 **Website:** <https://www.ikffinance.com/>

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

1

ISSUE OF UP TO 7000 (SEVEN THOUSAND) UNSECURED, RATED, LISTED, REDEEMABLE, UNSUBORDINATED, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, AGGREGATING UP TO RS. 70,00,00,000/- (RUPEES SEVENTY CRORES ONLY) COMPRISING OF BASE ISSUE OF INR 20,00,000 (INDIAN RUPEES TWENTY CRORES ONLY) AND GREEN SHOE OPTION OF INR 50,00,000 (INDIAN RUPEES FIFTY CRORES ONLY) ("GREEN SHOE OPTION") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").

**DEBENTURE SERIES APPLIED FOR:**

Number of Debentures \_\_\_ In words \_\_\_

Amount Rs. \_\_\_/- in words Rupees \_\_\_Crores Only

**WHETHER GREEN SHOE OPTION IS BEING EXERCISED** (please select as applicable) ☐ YES ☐ NO

**IF YES, AMOUNT FOR WHICH GREEN SHOE OPTION IS BEING EXERCISED:**

Number of Debentures \_\_\_\_\_ In words \_\_\_\_\_

Amount Rs. \_\_\_\_\_/- in words Rupees \_\_\_\_\_ Crores only

**DETAILS OF PAYMENT:**

RTGS

No. \_\_\_\_\_ Drawn on \_\_\_\_\_

Funds transferred to Indian Clearing Corporation Limited

Dated \_\_\_\_\_

Total Amount Enclosed

(In Figures) \_\_\_\_\_ (In words) \_\_\_\_\_

**APPLICANT'S NAME IN FULL (CAPITALS)      SPECIMEN SIGNATURE**

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|  |  |
|--|--|
|  |  |
|--|--|

**APPLICANT'S ADDRESS**

|                |  |              |  |            |  |
|----------------|--|--------------|--|------------|--|
| <b>ADDRESS</b> |  |              |  |            |  |
| <b>STREET</b>  |  |              |  |            |  |
| <b>CITY</b>    |  |              |  |            |  |
| <b>PIN</b>     |  | <b>PHONE</b> |  | <b>FAX</b> |  |

APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT \_\_\_\_

**WE ARE** ( ) COMPANY ( ) OTHERS ( ) SPECIFY \_\_\_\_\_

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

| Name of the Authorised Signatory(ies) | Designation | Signature |
|---------------------------------------|-------------|-----------|
|                                       |             |           |
|                                       |             |           |
|                                       |             |           |

Applicant's  
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

|                                    |                          |
|------------------------------------|--------------------------|
| <b>DEPOSITORY</b>                  | <b>NSDL ( ) CDSL ( )</b> |
| <b>DEPOSITORY PARTICIPANT NAME</b> |                          |
| <b>DP-ID</b>                       |                          |
| <b>BENEFICIARY ACCOUNT NUMBER</b>  |                          |
| <b>NAME OF THE APPLICANT(S)</b>    |                          |

|                                                                                                                                                             |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Applicant Bank Account:</b><br><br>(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms) |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|  |  |
|--|--|
|  |  |
|--|--|

|                       |                         |
|-----------------------|-------------------------|
| FOR OFFICE USE ONLY   |                         |
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Placement Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant's  
Signature

|                       |                         |
|-----------------------|-------------------------|
| FOR OFFICE USE ONLY   |                         |
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

**- ACKNOWLEDGMENT SLIP -**

|                                           |   |  |  |  |  |  |  |  |  |
|-------------------------------------------|---|--|--|--|--|--|--|--|--|
| (To be filled in by Applicant) SERIAL NO. | 1 |  |  |  |  |  |  |  |  |
|-------------------------------------------|---|--|--|--|--|--|--|--|--|

Received from \_\_\_\_\_

|                                              |                    |
|----------------------------------------------|--------------------|
| Address _____                                |                    |
| Cheque/Draft/UTR # _____                     | Drawn on _____ for |
| Rs. _____ on account of application of _____ | Debenture          |

*(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)*

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## ANNEXURE V (PART A): AUDITED FINANCIAL STATEMENTS

### ANNEXURE V (PART A)



Limited review report on unaudited financial results of the Company for quarter and nine month ended December 31, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors  
IKF Finance Limited

1. We have reviewed the accompanying Statement of unaudited financial Results of **IKF Finance Limited** ("the Company") for the quarter and nine month ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel responsible for financial and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S G C O & Co. LLP  
Chartered Accountants  
FRN. 112081W/W100184

SURESH  
PRAHLADRAJ  
MURARKA

**Suresh Murarka**  
Partner  
Mem. No.: 044739  
UDIN: 23044739BGUNLI4843

Place: Mumbai  
Date: February 10, 2023

|                                                                                                                      |                                                                                             |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 4A, Kaledonia,<br>2 <sup>nd</sup> Floor, Sahar Road,<br>Near Andheri Station,<br>Andheri (East),<br>Mumbai - 400 069 | Tel. +91 22 6625 6363<br>Fax. +91 22 6625 6364<br>E-mail: info@sgco.co.in<br>www.sgco.co.in |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|

Mumbai • Delhi

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

IKF Finance Limited  
Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520 101  
CIN: U65992AP1991PLC012736, Tel: 91-866-2474644, Fax: 91-866-2485755,  
Website: www.ikffinance.com



Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022

|    | Particulars                                                                      | Quarter Ended                    |                                   |                                  | Nine Months Ended                |                                  | (Rs in Lacs)                |
|----|----------------------------------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
|    |                                                                                  | December 31, 2022<br>(Unaudited) | September 30, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | December 31, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | March 31, 2022<br>(Audited) |
| 1  | Revenue from operations                                                          |                                  |                                   |                                  |                                  |                                  |                             |
|    | (a) Interest income                                                              | 7552.58                          | 6308.75                           | 5362.72                          | 19,865.35                        | 15,822.35                        | 21,899.30                   |
|    | (b) Fees and commission income                                                   | 39.12                            | 67.08                             | 10.75                            | 122.06                           | 78.94                            | 160.21                      |
|    | Total revenue from operations                                                    | 7,591.70                         | 6,375.83                          | 5,373.47                         | 19,987.41                        | 15,901.29                        | 22,059.51                   |
| 2  | Other income                                                                     | 2.44                             | 2.11                              | 12.78                            | 6.73                             | 16.93                            | 63.31                       |
| 3  | Total Income (1 + 2)                                                             | 7,594.14                         | 6,377.94                          | 5,386.25                         | 19,994.14                        | 15,918.22                        | 22,122.82                   |
| 4  | Expenses                                                                         |                                  |                                   |                                  |                                  |                                  |                             |
|    | (a) Finance costs                                                                | 4246.15                          | 3334.32                           | 3035.91                          | 10,644.30                        | 8,853.65                         | 11,787.65                   |
|    | (b) Impairment on financial instruments                                          | 279.66                           | 276.09                            | 40.87                            | 767.21                           | 559.28                           | 511.78                      |
|    | (c) Employee benefits expenses                                                   | 1138.59                          | 1011.38                           | 782.55                           | 2,975.75                         | 2,266.10                         | 3,248.03                    |
|    | (d) Depreciation, amortization and impairment                                    | 64.32                            | 65.14                             | 31.47                            | 193.08                           | 97.46                            | 128.96                      |
|    | (e) Others expenses                                                              | 368.34                           | 328.95                            | 250.85                           | 986.15                           | 691.85                           | 1,019.11                    |
|    | Total expenses                                                                   | 6,097.06                         | 5,015.88                          | 4,141.65                         | 15,566.49                        | 12,468.34                        | 16,695.53                   |
| 5  | Profit before tax (3 - 4)                                                        | 1,497.08                         | 1,362.06                          | 1,244.60                         | 4,427.65                         | 3,449.88                         | 5,427.29                    |
| 6  | Tax expenses                                                                     |                                  |                                   |                                  |                                  |                                  |                             |
|    | (a) Current tax                                                                  | 284.54                           | 378.50                            | 270.78                           | 1,081.70                         | 716.84                           | 1,487.04                    |
|    | (b) Deferred tax                                                                 | 96.32                            | -30.06                            | 47.90                            | 53.18                            | 167.71                           | -100.25                     |
|    | (c) Adjustment of tax relating to earlier periods                                | 0.44                             | 0.00                              | 0.00                             | 0.44                             | 0.00                             | 10.06                       |
| 7  | Net Profit for the period (5 - 6)                                                | 1,115.78                         | 1,013.62                          | 925.92                           | 3,292.33                         | 2,565.33                         | 4,030.44                    |
| 8  | Other comprehensive income                                                       |                                  |                                   |                                  |                                  |                                  |                             |
|    | (A) Items that will not be reclassified to profit or loss                        |                                  |                                   |                                  |                                  |                                  |                             |
|    | (a) Remeasurements of the defined benefit plans                                  | 1.66                             | -9.92                             | 5.04                             | 6.24                             | 9.71                             | 11.07                       |
|    | (b) Income tax relating to items that will not be reclassified to profit or loss | -0.42                            | 2.50                              | -1.27                            | -1.57                            | -2.44                            | -2.79                       |
| 9  | Total Comprehensive Income (7 + 8)                                               | 1,117.02                         | 1,006.20                          | 929.69                           | 3,297.00                         | 2,572.60                         | 4,038.72                    |
| 10 | Earnings per Share (Rs) (Face Value of Rs.10/- each)                             |                                  |                                   |                                  |                                  |                                  |                             |
|    | - Basic (Not Annualised)                                                         | 2.11                             | 1.92                              | 1.79                             | 6.22                             | 4.96                             | 7.80                        |
|    | - Diluted (Not Annualised)                                                       | 2.11                             | 1.92                              | 1.79                             | 6.22                             | 4.96                             | 7.80                        |

Notes:

- IKF Finance Limited (the 'Company') has prepared un audited financial results (the 'Statement') for the Quarter ended and the Nine Months Ended December 31, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations 2015') and the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- The above financial results are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on February 10, 2023.
- The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing with "Operating Segments".
- Details of loans transferred / acquired during the Period ended December 31, 2022 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
  - Details of loans not in default transferred / acquired through assignment during the period nine months ended December 31, 2022

| Particulars                                                     | Transferred    | Acquired       |
|-----------------------------------------------------------------|----------------|----------------|
| Aggregate amount of loans transferred / acquired (Rs. in lakhs) | 10091.65       | 3716.81        |
| Weighted average maturity (in months)                           | 28.41          | 18.26          |
| Weighted average holding period (in months)                     | 9.12           | 7.92           |
| Retention of beneficial economic interest by the originator     | 10.00%         | 13.00%         |
| Tangible security Coverage                                      | 100.00%        | 100.00%        |
| Rating-wise distribution of rated loans                         | Not Applicable | Not Applicable |

(i) The Company has not transferred any non-performing assets (NPAs)

(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iv) The Company has not acquired any loans not in default through assignment.

- All Secured NCDs issued by the company are secured by pari-passu charge and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100% or such higher security as per the respective termsheets of outstanding secured NCDs.
- The Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in Appendix 1.
- 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 /

| 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             | 82.81                                                                                                                                              | -                                                                 | -                                              | 0.31                                                     | 82.50                                                                                                                                     |
| Total              | 82.81                                                                                                                                              | -                                                                 | -                                              | 0.31                                                     | 82.50                                                                                                                                     |

- The PCR shown below is arrived by dividing the ECL provision on actual 90+ DPD loans as on reporting date with GNPA considered on daily DPD basis. If considered the actual 90+ DPD loans as on reporting date, the PCR would have been 34.68%
- Previous period figures have been regrouped / reclassified wherever required.

VASUMAT  
HI DEVI  
KOGANTI

Digitally signed  
by VASUMATI  
DEVI KOGANTI  
Date: 2023.02.10  
19:26:45 +0530

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Appendix 1

Analytical Ratios and other disclosures based on Standalone financial results:

|    | Particulars                                                                             | Quarter Ended                    |                                   |                                  | Nine Months Ended                |                                  | Year Ended                  |
|----|-----------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
|    |                                                                                         | December 31, 2022<br>(Unaudited) | September 30, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | December 31, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | March 31, 2022<br>(Audited) |
| a) | Debt equity ratio (no. of times) (refer note ii)                                        | 4.18                             | 4.07                              | 3.59                             | 4.18                             | 3.59                             | 3.37                        |
| b) | Debt service coverage ratio                                                             | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| c) | Interest service coverage ratio                                                         | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| d) | Outstanding redeemable preference shares (quantity and value)                           | -                                | -                                 | -                                | -                                | -                                | -                           |
| e) | Capital redemption reserve                                                              | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| f) | Debenture redemption reserve                                                            | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| g) | Net worth (refer note iii)                                                              | 45,949.25                        | 40,912.75                         | 36,559.47                        | 45,949.25                        | 36,559.47                        | 38,736.77                   |
| h) | Net profit (loss) after tax                                                             | 1,115.78                         | 1,013.62                          | 925.92                           | 3,292.33                         | 2,565.33                         | 4,030.44                    |
| i) | Earnings per share (face value of Rs 10/- each) (not annualized for the interim period) |                                  |                                   |                                  |                                  |                                  |                             |
|    | - Basic (Rupees)                                                                        | 2.11                             | 1.92                              | 1.79                             | 6.22                             | 4.96                             | 7.80                        |
|    | - Unaudited (Rupees)                                                                    | 2.11                             | 1.92                              | 1.79                             | 6.22                             | 4.96                             | 7.80                        |
| j) | Current ratio                                                                           | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| k) | Long term debt to working capital                                                       | 6.53                             | 4.79                              | 4.92                             | 6.53                             | 4.92                             | 3.00                        |
| l) | Bad debts to Account receivable ratio                                                   | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| m) | Current liability ratio                                                                 | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| n) | Total debts to total assets (refer note iv)                                             | 79.60%                           | 79.20%                            | 77.09%                           | 79.60%                           | 77.09%                           | 76.04%                      |
| o) | Debtors turnover                                                                        | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| p) | Inventory turnover                                                                      | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| q) | Operating margin (%)                                                                    | N/A                              | N/A                               | N/A                              | N/A                              | N/A                              | N/A                         |
| r) | Net profit margin (%) (refer note v)                                                    | 14.69%                           | 15.89%                            | 17.19%                           | 16.47%                           | 16.12%                           | 18.22%                      |
| s) | Sector specific equivalent ratios, as applicable:                                       |                                  |                                   |                                  |                                  |                                  |                             |
|    | 1) Capital Adequacy Ratio (%) (refer note vi)                                           | 25.83%                           | 22.04%                            | 24.49%                           | 25.83%                           | 24.49%                           | 24.11%                      |
|    | 2) Gross Stage-3 Assets % (refer note vii)                                              | 2.87%                            | 2.53%                             | 3.31%                            | 2.87%                            | 3.31%                            | 2.72%                       |
|    | 3) Net Stage-3 Assets % (refer note viii)                                               | 2.12%                            | 1.70%                             | 2.47%                            | 2.12%                            | 2.47%                            | 1.82%                       |
|    | 4) Provision Coverage Ratio for Stage-3 assets (PCR %)                                  | 26.63%                           | 33.42%                            | 26.03%                           | 26.63%                           | 26.03%                           | 33.78%                      |

Notes:

- Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the Reserve Bank of India
- Debt equity ratio = (Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities) / (Equity Share capital + Other equity)
- Net worth = (Equity share capital + Other equity)
- Total debts to total assets = (Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities) / Total assets
- Net profit margin = Profit after tax / Total income
- Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets / Gross loan assets
- Net Stage-3 Assets % (as per Ind AS) = (Gross Stage-3 Assets less Impairment loss allowance for Stage-3 Assets) / (Gross loan assets less Impairment loss allowance for Stage-3 Assets)
- Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets / Gross Stage-3 Assets

Place : Hyderabad  
Date: February 10, 2023

For and on behalf of the Board of Directors  
Vasumathi Devi Koganti  
VASUMATHI DEVI KOGANTI Managing Director

## AUDITED FINANCIAL STATEMENTS

### ANNEXURE V (PART A): LAST AUDITED FINANCIAL STATEMENTS

#### STANDALONE

| Balance Sheet (Rs. in Cr)                         | As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                     |                         |                         |                         |
| <b>(1) Financial assets</b>                       |                         |                         |                         |
| (a) Cash and cash equivalents                     | 33.77                   | 117.93                  | 24.86                   |
| (b) Bank Balance other than included in (a) above | 22.08                   | 39.65                   | 37.75                   |
| (c) Receivables                                   |                         |                         |                         |
| (i) Trade receivables                             | -                       | 0.49                    | 0.24                    |
| (d) Loans                                         | 1,563.25                | 1,401.61                | 1,260.11                |
| (e) Investments                                   | 62.53                   | 45.25                   | 45.25                   |
| (f) Other financial assets                        | 18.01                   | 9.69                    | 3.41                    |
|                                                   | <b>1,699.65</b>         | <b>1,614.63</b>         | <b>1,371.61</b>         |
| <b>(2) Non-financial assets</b>                   |                         |                         |                         |
| (a) Current Tax Assets (Net)                      | 1.83                    | 2.18                    | 1.57                    |
| (b) Deferred Tax Assets (Net)                     | 0.70                    | -                       | 3.45                    |
| (c) Investment Property                           | 1.14                    | 0.06                    | 0.07                    |
| (d) Property Plant and Equipment                  | 2.60                    | 2.41                    | 2.72                    |
| (e) Right of use asset                            | 0.11                    | 0.25                    | 0.64                    |
| (f) Intangible assets                             | 1.54                    | 1.71                    | 1.78                    |
| (g) Other non-financial assets                    | 10.67                   | 3.82                    | 3.55                    |
|                                                   | <b>18.60</b>            | <b>10.42</b>            | <b>13.77</b>            |
| <b>Total assets</b>                               | <b>1,625.05</b>         | <b>1,385.38</b>         |                         |
| <b>LIABILITIES AND EQUITY</b>                     |                         |                         |                         |
| <b>LIABILITIES</b>                                |                         |                         |                         |
| <b>(1) Financial liabilities</b>                  |                         |                         |                         |
| (a) Debt securities                               | 151.86                  | 336.88                  | 61.10                   |
| (b) Borrowings (other than debt securities)       | 1,094.63                | 857.56                  | 931.51                  |
| (d) Subordinated Liabilities                      | 60.03                   | 59.87                   | 64.51                   |
| (d) Other financial liabilities                   | 20.30                   | 26.70                   | 27.39                   |
|                                                   | <b>1,326.83</b>         | <b>1,281.01</b>         | <b>1,084.50</b>         |
| <b>(2) Non-financial liabilities</b>              |                         |                         |                         |
| (a) Provisions                                    | 3.06                    | 2.76                    | 2.08                    |

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|                                     |                 |                 |                |
|-------------------------------------|-----------------|-----------------|----------------|
| (b) Deferred tax liabilities (Net)  | -               | 0.27            | -              |
| (c) Other non-financial liabilities | 1.00            | 1.12            | 1.19           |
|                                     | <b>4.06</b>     | <b>4.15</b>     | <b>3.27</b>    |
| <b>EQUITY</b>                       |                 |                 |                |
| (a) Equity share capital            | 52.66           | 51.67           | 50.28          |
| (b) Other equity                    | 334.71          | 288.22          | 247.33         |
|                                     | <b>387.37</b>   | <b>339.90</b>   | <b>297.61</b>  |
|                                     |                 |                 |                |
| <b>Total liabilities and equity</b> | <b>1,718.25</b> | <b>1,625.05</b> | <b>1385.38</b> |

| Profit & Loss Account (Rs. in Cr)                                  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Revenue From operations</b>                                     |                              |                              |                              |
| (i) Interest income                                                | 218.99                       | 202.96                       | 205.68                       |
| (ii) Fees and commission income                                    | 1.60                         | 1.11                         | 0.01                         |
| <b>(I) Total revenue from operations</b>                           | <b>220.60</b>                | <b>204.07</b>                | <b>205.69</b>                |
| (II) Other income                                                  | 0.63                         | 0.16                         | 0.19                         |
| <b>(III) Total income (I + II)</b>                                 | <b>221.23</b>                | <b>204.23</b>                | <b>205.88</b>                |
| <b>Expenses</b>                                                    |                              |                              |                              |
| (i) Finance costs                                                  | 117.88                       | 116.09                       | 115.52                       |
| (ii) Impairment on financial instruments                           | 5.12                         | 6.47                         | 16.35                        |
| (iii) Employee benefits expenses                                   | 32.48                        | 26.21                        | 25.05                        |
| (iv) Depreciation, amortization and impairment                     | 1.29                         | 1.44                         | 1.49                         |
| (v) Others expenses                                                | 10.19                        | 9.81                         | 9.54                         |
| <b>(IV) Total expenses</b>                                         | <b>166.96</b>                | <b>160.03</b>                | <b>167.95</b>                |
| <b>(V) Profit before tax (III - IV)</b>                            | <b>54.27</b>                 | <b>44.20</b>                 | <b>37.94</b>                 |
| <b>(VI) Tax Expense:</b>                                           |                              |                              |                              |
| (1) Current Tax                                                    | 14.87                        | 7.96                         | 12.29                        |
| (2) Deferred Tax                                                   | (1.00)                       | 3.68                         | (2.11)                       |
| (3) Adjustment of tax relating to earlier periods                  | 0.10                         | 0.65                         | 0.02                         |
|                                                                    | <b>13.97</b>                 | <b>12.30</b>                 | <b>10.20</b>                 |
| <b>(VII) Profit for the period (V-VI)</b>                          | <b>40.30</b>                 | <b>31.90</b>                 | <b>27.73</b>                 |
| (VIII) Other comprehensive income                                  | 0.08                         | 0.10                         | (0.03)                       |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b> | <b>40.39</b>                 | <b>32.00</b>                 | <b>27.70</b>                 |

| Cash Flow Statement (Rs. in Cr)            | For the Year<br>ended March<br>31, 2022 | For the Year<br>ended March<br>31, 2021 | For the Year<br>ended March<br>31, 2020 |
|--------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b> |                                         |                                         |                                         |

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|                                                                                                                                          |                 |                 |                 |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Profit before tax</b>                                                                                                                 | <b>95.16</b>    | <b>44.20</b>    | <b>37.94</b>    |
| <b>Adjustments for:</b>                                                                                                                  | -               | -               | -               |
| Depreciation, amortisation and impairment                                                                                                | 1.29            | 1.44            | 1.49            |
| Interest Income                                                                                                                          | (218.99)        | (202.96)        | (205.68)        |
| Interest expenses                                                                                                                        | 117.88          | 116.09          | 115.52          |
| Impairment on financial instrument                                                                                                       | 5.12            | 6.47            | 16.35           |
| Share based payment expense                                                                                                              | (0.06)          | 0.13            | 0.18            |
| Provision for expenses                                                                                                                   | 0.07            | 0.05            | 0.05            |
| Employee benefit expenses                                                                                                                | 0.82            | 0.98            | 0.87            |
| Rental income on Investment property                                                                                                     | (0.08)          | (0.06)          | (0.08)          |
| (Profit)/ Loss on sale of property, plant and equipment                                                                                  | (0.00)          | (0.00)          | 0.03            |
| (Profit)/ Loss on sale of immovable Property                                                                                             | 0.06            | -               | -               |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>1.26</b>     | <b>(33.67)</b>  | <b>(33.34)</b>  |
| <b><u>Adjustments for changes in Working Capital :</u></b>                                                                               |                 |                 |                 |
| Decrease / (Increase) in trade receivable                                                                                                | 0.26            | (0.29)          | 0.86            |
| Decrease / (Increase) in loans                                                                                                           | (244.55)        | (216.61)        | (141.50)        |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | 17.56           | (1.90)          | (1.43)          |
| Decrease / (Increase) in other financial assets                                                                                          | 1.27            | (2.81)          | 0.09            |
| Decrease / (Increase) in other non-financial assets                                                                                      | (7.13)          | (0.54)          | 0.63            |
| (Decrease) / Increase in other financial liabilities                                                                                     | (6.32)          | (0.32)          | (17.48)         |
| (Decrease) / Increase in provisions                                                                                                      | 1.08            | (0.18)          | (0.22)          |
| (Decrease) / Increase in other non-financial liabilities                                                                                 | (0.19)          | (0.07)          | (0.28)          |
| Interest received                                                                                                                        | 223.27          | 172.50          | 197.22          |
| Interest paid                                                                                                                            | (118.37)        | (101.76)        | (101.30)        |
|                                                                                                                                          | <b>(131.84)</b> | <b>(185.63)</b> | <b>(96.75)</b>  |
| Income tax paid (net of refunds)                                                                                                         | (14.62)         | (9.23)          | (11.31)         |
| Deferred tax adjustment                                                                                                                  | 3.72            | 0.00            | 2.12            |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(142.75)</b> | <b>(194.87)</b> | <b>(105.93)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               |                 |                 |                 |
| Purchase of property, plant and equipment                                                                                                | (0.87)          | (0.33)          | (0.56)          |
| Purchase of Investment property                                                                                                          | (2.24)          | -               | -               |
| Rental income on Investment property                                                                                                     | 0.00            | 0.06            | 0.08            |
| Proceeds from sale of property, plant and equipment                                                                                      | 0.00            | 0.01            | 0.00            |
| Proceeds from sale of Investment property                                                                                                | 1.10            | -               | -               |
| Purchase of intangible assets                                                                                                            | (0.28)          | (0.32)          | (0.73)          |
| Purchase of investments measured at cost                                                                                                 | (17.28)         | -               | -               |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>(19.56)</b>  | <b>(0.57)</b>   | <b>(1.21)</b>   |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

|                                                                      |                |               |               |
|----------------------------------------------------------------------|----------------|---------------|---------------|
| <b>CASH FROM FINANCING ACTIVITIES</b>                                |                |               |               |
| Proceeds from issue of equity shares (including securities premium)  | 8.54           | 10.15         | -             |
| Amount received from debt securities                                 | 80.00          | 305.00        | 50.00         |
| Repayment of debt securities                                         | (259.50)       | (33.00)       | (116.11)      |
| Amount received from borrowings other than debt securities           | 565.00         | 337.30        | 393.07        |
| Repayment of borrowings other than debt securities                   | (268.61)       | (325.48)      | (226.07)      |
| Amount received from subordinated Liabilities                        | -              | 25.00         | 20.00         |
| Repayment of subordinated debt                                       | -              | (30.00)       | -             |
| Payment of principal portion of lease liabilities                    | (0.19)         | (0.41)        | (0.41)        |
| Payment of interest on lease liabilities                             | (0.02)         | (0.05)        | (0.09)        |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b> | <b>125.22</b>  | <b>288.51</b> | <b>120.39</b> |
|                                                                      |                |               |               |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>        | <b>(37.09)</b> | <b>93.08</b>  | <b>13.24</b>  |
|                                                                      |                |               |               |
| Cash and Cash Equivalents at the beginning of Year                   | 117.93         | 24.86         | 13.73         |
| Cash and Cash Equivalents at the end of the Year                     | 33.77          | 117.93        | 24.86         |

## CONSOLIDATED

| Balance Sheet (Rs. in Cr) |                                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------|-----------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>             |                                               |                         |                         |                         |
| <b>(1)</b>                | <b>Financial assets</b>                       |                         |                         |                         |
| (a)                       | Cash and cash equivalents                     | 96.64                   | 144.74                  | 32.30                   |
| (b)                       | Bank Balance other than included in (a) above | 25.34                   | 41.65                   | 37.75                   |
| (c)                       | Receivables                                   |                         |                         |                         |
|                           | (I) Trade receivables                         | 0.28                    | 0.65                    | 0.24                    |
| (d)                       | Loans                                         | 1,892.10                | 1,587.85                | 1,378.55                |
| (e)                       | Investments                                   | -                       | -                       | -                       |
| (f)                       | Other financial assets                        | 31.93                   | 19.68                   | 14.29                   |
|                           |                                               | <b>2,046.30</b>         | <b>1,794.57</b>         | <b>1,463.12</b>         |
| <b>(2)</b>                | <b>Non-financial assets</b>                   |                         |                         |                         |
| (a)                       | Current Tax Assets (Net)                      | 2.01                    | 2.18                    | 1.57                    |
| (b)                       | Deferred Tax Assets (Net)                     | 0.70                    | -                       | 2.99                    |
| (c)                       | Investment Property                           | 1.14                    | 0.06                    | 0.07                    |
| (d)                       | Property, Plant and Equipment                 | 3.43                    | 3.19                    | 3.58                    |
| (e)                       | Right of use asset                            | 0.20                    | 0.46                    | 0.80                    |
| (f)                       | Intangible assets                             | 1.76                    | 2.07                    | 2.19                    |
| (g)                       | Goodwill                                      | 7.74                    | 7.74                    | 7.74                    |
| (h)                       | Other non-financial assets                    | 10.80                   | 4.02                    | 4.00                    |

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|                                                                                             | 27.79           | 19.73           | 22.93           |
|---------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
|                                                                                             |                 |                 |                 |
| <b>Total assets</b>                                                                         | <b>2,074.09</b> | <b>1,814.30</b> | <b>1,486.05</b> |
|                                                                                             |                 |                 |                 |
| <b>LIABILITIES AND EQUITY</b>                                                               |                 |                 |                 |
| <b>LIABILITIES</b>                                                                          |                 |                 |                 |
| <b>(1) Financial liabilities</b>                                                            |                 |                 |                 |
| (a) Derivative financial instruments                                                        | 0.59            | -               | -               |
| (b) Payables                                                                                |                 |                 |                 |
| (i) Trade payables and 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 | 0.07            | 0.24            | 0.18            |
| (c) Debt securities                                                                         | 238.08          | 432.11          | 61.10           |
| (d) Borrowings (other than debt securities)                                                 | 1,321.39        | 921.49          | 1,007.97        |
| (e) Subordinated Liabilities                                                                | 60.03           | 59.87           | 64.51           |
| (f) Other financial liabilities                                                             | 31.03           | 35.84           | 38.06           |
|                                                                                             | <b>1,651.19</b> | <b>1,449.53</b> | <b>1,171.81</b> |
| <b>(2) Non-financial liabilities</b>                                                        |                 |                 |                 |
| (a) Current tax liabilities (Net)                                                           | -               | 0.72            | 0.39            |
| (b) Provisions                                                                              | 3.45            | 3.03            | 2.31            |
| (c) Deferred tax liabilities (Net)                                                          | 1.65            | 1.17            | -               |
| (d) Other non-financial liabilities                                                         | 1.57            | 1.49            | 1.49            |
|                                                                                             | <b>6.68</b>     | <b>6.41</b>     | <b>4.19</b>     |
| <b>EQUITY</b>                                                                               |                 |                 |                 |
| (a) Equity share capital                                                                    | 52.66           | 51.67           | 50.28           |
| (b) Other equity                                                                            | 357.81          | 301.69          | 255.55          |
| (c) Non- Controlling Interest                                                               | 5.75            | 5.00            | 4.22            |
|                                                                                             | <b>416.22</b>   | <b>358.36</b>   | <b>310.05</b>   |
|                                                                                             |                 |                 |                 |
| <b>Total liabilities and equity</b>                                                         | <b>2,074.09</b> | <b>1,814.30</b> | <b>1,486.05</b> |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Profit & Loss Account (Rs. in Cr)                                  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Revenue From operations</b>                                     |                              |                              |                              |
| (i) Interest income                                                | 263.02                       | 234.23                       | 226.99                       |
| (ii) Fees and commission income                                    | 6.60                         | 3.29                         | 2.97                         |
| <b>(I) Total revenue from operations</b>                           | <b>269.62</b>                | <b>237.52</b>                | <b>229.96</b>                |
| (II) Other income                                                  | 2.08                         | 0.57                         | 9.54                         |
| <b>(III) Total income (I + II)</b>                                 | <b>271.70</b>                | <b>238.09</b>                | <b>239.50</b>                |
| <b>Expenses</b>                                                    |                              |                              |                              |
| (i) Finance costs                                                  | 136.18                       | 128.66                       | 125.34                       |
| (ii) Net loss on fair value changes                                | 0.03                         | -                            | -                            |
| (iii) Impairment on financial instruments                          | 5.13                         | 7.82                         | 20.40                        |
| (iv) Employee benefits expenses                                    | 46.50                        | 34.38                        | 31.91                        |
| (v) Depreciation, amortization and impairment                      | 1.90                         | 1.93                         | 1.95                         |
| (vi) Others expenses                                               | 13.56                        | 12.19                        | 11.76                        |
| <b>(IV) Total expenses</b>                                         | <b>203.31</b>                | <b>184.98</b>                | <b>191.36</b>                |
| <b>(V) Profit before tax (III - IV)</b>                            | <b>68.38</b>                 | <b>53.11</b>                 | <b>48.14</b>                 |
| <b>(VI) Tax Expense:</b>                                           |                              |                              |                              |
| (1) Current Tax                                                    | 17.40                        | 10.44                        | 13.57                        |
| (2) Deferred Tax                                                   | (0.25)                       | 4.11                         | (1.29)                       |
| (3) Adjustment of tax relating to earlier periods                  | 0.10                         | 0.65                         | 0.02                         |
|                                                                    | <b>17.25</b>                 | <b>15.21</b>                 | <b>12.30</b>                 |
| <b>(VII) Profit for the period (V-VI)</b>                          | <b>51.13</b>                 | <b>37.90</b>                 | <b>35.84</b>                 |
| (VIII) Other comprehensive income / (loss)                         | 0.10                         | 0.12                         | (0.03)                       |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b> | <b>51.23</b>                 | <b>38.02</b>                 | <b>35.81</b>                 |
| <b>Attributable to:</b>                                            |                              |                              |                              |
| Owners of the Company                                              | <b>50.48</b>                 | <b>37.25</b>                 | <b>35.14</b>                 |
| Non-controlling interest                                           | <b>0.75</b>                  | <b>0.77</b>                  | <b>0.67</b>                  |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Cash Flow Statement (Rs. in Cr)                                                                                                          | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               |                                   |                                   |                                   |
| <b>Profit before tax</b>                                                                                                                 | <b>68.38</b>                      | <b>53.11</b>                      | <b>48.14</b>                      |
| <b>Adjustments for:</b>                                                                                                                  |                                   |                                   |                                   |
| Depreciation, amortisation and impairment                                                                                                | 1.90                              | 1.93                              | 1.95                              |
| Interest Income                                                                                                                          | (263.02)                          | (234.22)                          | (226.99)                          |
| Interest expenses                                                                                                                        | 136.18                            | 128.66                            | 125.18                            |
| Impairment on financial instrument                                                                                                       | 5.13                              | 7.82                              | 20.40                             |
| Net loss on fair value changes                                                                                                           |                                   |                                   |                                   |
| Lease equalisation                                                                                                                       | -                                 | -                                 | (0.07)                            |
| Share based payment expense                                                                                                              | (0.06)                            | 0.13                              | 0.18                              |
| Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)                                                    |                                   |                                   |                                   |
| Net gain/(loss) on financial instrument at amortised category                                                                            | -                                 | -                                 | (8.81)                            |
| Provision for expenses                                                                                                                   | 0.07                              | 0.05                              | 0.32                              |
| Employee benefit expenses                                                                                                                | 0.95                              | 1.06                              | 0.95                              |
| Rental income on Investment property                                                                                                     | (0.08)                            | (0.06)                            | (0.08)                            |
| (Profit)/ Loss on sale of property, plant and equipment                                                                                  | (0.00)                            | (0.00)                            | 0.03                              |
| (Profit)/ Loss on sale of immovable Property                                                                                             |                                   |                                   |                                   |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>(50.55)</b>                    | <b>(41.53)</b>                    | <b>(38.79)</b>                    |
| <b>Adjustments for changes in Working Capital :</b>                                                                                      |                                   |                                   |                                   |
| Decrease / (Increase) in trade receivable                                                                                                | (0.12)                            | (0.44)                            | 0.86                              |
| Decrease / (Increase) in loans                                                                                                           | (381.17)                          | (283.17)                          | (144.92)                          |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | 16.31                             | (3.90)                            | (1.43)                            |
| Decrease / (Increase) in other financial assets                                                                                          | (54.04)                           | (2.93)                            | (0.59)                            |
| Decrease / (Increase) in other non-financial assets                                                                                      | (6.79)                            | (0.28)                            | 0.41                              |
| (Decrease) / Increase in trade payables                                                                                                  | (0.16)                            | 0.06                              | (0.08)                            |
| (Decrease) / Increase in other financial liabilities                                                                                     | (4.58)                            | (1.26)                            | (7.70)                            |
| (Decrease) / Increase in provisions                                                                                                      | (0.30)                            | (0.18)                            | (0.18)                            |
| (Decrease) / Increase in other non-financial liabilities                                                                                 | 0.09                              | (0.01)                            | (0.43)                            |
| Interest received                                                                                                                        | 312.93                            | 201.93                            | 218.54                            |
| Interest paid                                                                                                                            | (134.50)                          | (109.40)                          | (111.05)                          |
|                                                                                                                                          | <b>(302.89)</b>                   | <b>(241.11)</b>                   | <b>(85.36)</b>                    |
| Income tax paid (net of refunds)                                                                                                         | (18.05)                           | (11.38)                           | (12.01)                           |
| Derivative financial instruments                                                                                                         | -                                 | -                                 | -                                 |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(320.94)</b>                   | <b>(252.49)</b>                   | <b>(97.38)</b>                    |

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|                                                                      |                |               |               |
|----------------------------------------------------------------------|----------------|---------------|---------------|
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                           |                |               |               |
| Purchase of property, plant and equipment                            | (1.15)         | (0.46)        | (0.98)        |
| Purchase of Investment property                                      | (2.24)         | -             | -             |
| Rental income on Investment property                                 | 0.08           | 0.06          | 0.08          |
| Proceeds from sale of property, plant and equipment                  | 0.00           | 0.01          | 0.00          |
| Proceeds from sale of Investment property                            | 1.10           | -             | -             |
| Purchase of intangible assets                                        | (0.37)         | (0.48)        | (0.90)        |
| ROU Adj                                                              | -              | -             | -             |
| Purchase of investments measured at cost                             |                |               |               |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>      | <b>(2.59)</b>  | <b>(0.87)</b> | <b>(1.80)</b> |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                |                |               |               |
| Proceeds from issue of equity shares (including securities premium)  | 7.14           | 10.15         | 1.75          |
| Amount received from debt securities                                 | 80.00          | 395.00        | 50.00         |
| Repayment of debt securities                                         | (267.83)       | (33.00)       | (116.11)      |
| Amount received from borrowings other than debt securities           | 771.80         | 380.25        | 410.07        |
| Repayment of borrowings other than debt securities                   | (315.41)       | (381.01)      | (251.17)      |
| Amount received from subordinated Liabilities                        | -              | 25.00         | 20.00         |
| Repayment of subordinated debt                                       | -              | (30.00)       | -             |
| Payment of principal portion of lease liabilities                    | (0.31)         | (0.52)        | (0.54)        |
| Payment of interest on lease liabilities                             | (0.04)         | (0.06)        | (0.12)        |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b> | <b>275.35</b>  | <b>365.81</b> | <b>113.87</b> |
|                                                                      |                |               |               |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>        | <b>(48.18)</b> | <b>112.45</b> | <b>14.69</b>  |
| Cash and Cash Equivalents at the beginning of Year                   | 144.74         | 32.30         | 17.60         |
| Cash and Cash Equivalents at the end of the Year                     | 96.64          | 144.74        | 32.30         |

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**SGCO & Co. LLP**  
Chartered Accountants

**Limited review report on unaudited financial results of the Company for quarter and half year ended September 30, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Board of Directors**  
**IKF Finance Limited**

1. We have reviewed the accompanying Statement of unaudited financial Results of **IKF Finance Limited** ('the Company') for the quarter and half year ended September 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel responsible for financial and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4A, Kaledonia,  
2<sup>nd</sup> Floor, Sahar Road,  
Near Andheri Station,  
Andheri (East),  
Mumbai - 400 069

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Fax. +91 22 6625 6364  
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Mumbai - Delhi

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



## 5. Other Matters

The Statement includes comparative figures of the Company for the quarter and half year ended September 30, 2021 which have been reviewed by the predecessor firms of statutory auditors vide its report dated November 13, 2021 in which the predecessor auditor has expressed unmodified conclusion.

Our conclusion on the Statement is not modified in respect of these matters.

For S G C O & Co. LLP  
Chartered Accountants  
FRN. 112081W/W100184  
SURESH Digitally signed by SURESH  
PRAHLADRA PRAHLADRA  
I MURARKA MURARKA  
Date: 2022.11.10 17:11:58 +05'30'  
**Suresh Murarka**  
Partner  
Mem. No.: 044739  
UDIN: 22044739BCTAU3068  
Place: Mumbai  
Date: November 10, 2022

|                                                                                                                      |                                                                                             |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 4A, Kaledonia,<br>2 <sup>nd</sup> Floor, Sahar Road,<br>Near Andheri Station,<br>Andheri (East),<br>Mumbai - 400 069 | Tel. +91 22 6625 6363<br>Fax. +91 22 6625 6364<br>E-mail: info@sgco.co.in<br>www.sgco.co.in |
| Mumbai • Delhi                                                                                                       |                                                                                             |

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IKF Finance Limited  
Regd Office: #40-3-144, Corporate Center, M.G. Road, Vijayawada - 520 101  
CIN: U65992AP1991PLC012736, Tel: 91-866-3474644, Fax: 91-866-2485755,  
Website: www.ikffinance.com



Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

|    | Particulars                                                                      | Quarter Ended                     |                              |                                   | Half Year Ended                   |                                   | Year Ended                  |
|----|----------------------------------------------------------------------------------|-----------------------------------|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------|
|    |                                                                                  | September 30, 2022<br>(Unaudited) | June 30, 2022<br>(Unaudited) | September 30, 2021<br>(Unaudited) | September 30, 2022<br>(Unaudited) | September 30, 2021<br>(Unaudited) | March 31, 2022<br>(Audited) |
| 1  | Revenue from operations                                                          |                                   |                              |                                   |                                   |                                   |                             |
|    | (a) Interest income                                                              | 6,008.75                          | 6,004.02                     | 5,131.07                          | 12,312.77                         | 10,459.63                         | 21,899.30                   |
|    | (b) Fee and commission income                                                    | 67.08                             | 13.87                        | 27.79                             | 82.94                             | 68.30                             | 190.71                      |
|    | Total revenue from operations                                                    | 6,375.83                          | 6,017.89                     | 5,158.86                          | 12,395.71                         | 10,527.93                         | 22,090.01                   |
| 2  | Other income                                                                     | 2.11                              | 2.17                         | 2.07                              | 4.28                              | 4.15                              | 83.35                       |
| 3  | Total Income (1 + 2)                                                             | 6,377.94                          | 6,020.06                     | 5,160.93                          | 12,399.99                         | 10,532.08                         | 22,173.36                   |
| 4  | Expenses                                                                         |                                   |                              |                                   |                                   |                                   |                             |
|    | (a) Finance costs                                                                | 3334.32                           | 3,063.82                     | 2,924.73                          | 6,398.15                          | 5,817.74                          | 11,787.65                   |
|    | (b) Impairment on financial instruments                                          | 276.09                            | 211.47                       | 106.96                            | 487.56                            | 518.41                            | 511.78                      |
|    | (c) Employee benefits expenses                                                   | 1011.38                           | 825.78                       | 759.28                            | 1,837.16                          | 1,483.56                          | 3,248.03                    |
|    | (d) Depreciation, amortization and impairment                                    | 65.14                             | 63.61                        | 31.44                             | 128.75                            | 65.99                             | 128.96                      |
|    | (e) Others expenses                                                              | 328.95                            | 288.86                       | 277.61                            | 617.81                            | 441.00                            | 1,019.11                    |
|    | Total expenses                                                                   | 5,015.88                          | 4,453.54                     | 4,100.02                          | 9,469.40                          | 8,325.70                          | 16,695.53                   |
| 5  | Profit before tax (3 - 4)                                                        | 1,362.06                          | 1,566.52                     | 1,060.91                          | 2,930.59                          | 2,206.38                          | 5,477.29                    |
| 6  | Tax expense                                                                      |                                   |                              |                                   |                                   |                                   |                             |
|    | (a) Current tax                                                                  | 278.50                            | 418.66                       | 229.89                            | 797.17                            | 446.06                            | 1,407.04                    |
|    | (b) Deferred tax                                                                 | -30.06                            | -13.09                       | 53.54                             | -43.14                            | 119.81                            | -100.25                     |
|    | (c) Adjustment of tax relating to earlier periods                                | 0.00                              | 0.00                         | 0.00                              | 0.00                              | 0.00                              | 10.06                       |
| 7  | Net Profit for the period (5 - 6)                                                | 1,083.56                          | 1,162.85                     | 780.46                            | 2,176.52                          | 1,639.43                          | 4,030.44                    |
| 8  | Other comprehensive income                                                       |                                   |                              |                                   |                                   |                                   |                             |
|    | (A) Items that will not be reclassified to profit or loss                        |                                   |                              |                                   |                                   |                                   |                             |
|    | (a) Remeasurements of the defined benefit plans                                  | -9.50                             | 14.50                        | 2.33                              | 4.58                              | 4.67                              | 11.07                       |
|    | (b) Income tax relating to items that will not be reclassified to profit or loss | 2.50                              | -3.65                        | -0.59                             | -1.15                             | -1.17                             | -2.79                       |
| 9  | Total Comprehensive Income (7 + 8)                                               | 1,006.56                          | 1,173.70                     | 780.20                            | 2,179.96                          | 1,642.93                          | 4,038.72                    |
| 10 | Earnings per Share (Rs) (Face Value of Rs.10/- each)                             |                                   |                              |                                   |                                   |                                   |                             |
|    | - Basic (Net Annualised)                                                         | 1.82                              | 2.23                         | 1.52                              | 4.13                              | 3.17                              | 7.80                        |
|    | - Diluted (Net Annualised)                                                       | 1.82                              | 2.23                         | 1.52                              | 4.13                              | 3.17                              | 7.80                        |

Statement of Unaudited Assets, Liabilities and Equity as at September 30, 2022

| Particulars                                       | [Rs in Lacs]                      |                             |
|---------------------------------------------------|-----------------------------------|-----------------------------|
|                                                   | September 30, 2022<br>(Unaudited) | March 31, 2022<br>(Audited) |
| <b>ASSETS</b>                                     |                                   |                             |
| <b>Financial assets</b>                           |                                   |                             |
| (a) Cash and cash equivalents                     | 12,305.62                         | 3,377.21                    |
| (b) Bank balance other than included in (a) above | 5,443.19                          | 2,208.65                    |
| (c) Trade receivables                             | 0.00                              | 0.00                        |
| (d) Loans & Advances                              | 1,81,976.32                       | 1,56,325.40                 |
| (e) Investments                                   | 6,252.92                          | 6,252.92                    |
| (f) Other financial assets                        | 1,655.40                          | 1,800.97                    |
| <b>Non-financial assets</b>                       |                                   |                             |
| (a) Current tax assets (net)                      | 163.43                            | 163.04                      |
| (b) Deferred tax assets (net)                     | 112.33                            | 70.34                       |
| (c) Investment Property                           | 114.22                            | 114.31                      |
| (d) Property, plant and equipment                 | 251.15                            | 260.10                      |
| (e) Right of use asset                            | 322.30                            | 10.76                       |
| (f) Intangible assets                             | 152.35                            | 154.41                      |
| (g) Other non-financial assets                    | 1,648.81                          | 1,067.42                    |
| <b>TOTAL ASSETS</b>                               | <b>2,10,180.94</b>                | <b>1,71,825.53</b>          |
| <b>LIABILITIES AND EQUITY</b>                     |                                   |                             |
| <b>Financial liabilities</b>                      |                                   |                             |
| (a) Debt securities                               | 13,701.50                         | 15,186.47                   |
| (b) Borrowings (other than debt securities)       | 1,48,262.89                       | 1,09,462.84                 |
| (c) Subordinated liabilities                      | 4,504.15                          | 6,003.45                    |
| (d) Other financial liabilities                   | 2,382.88                          | 2,030.13                    |
| <b>Non-financial liabilities</b>                  |                                   |                             |
| (a) Provisions                                    | 330.62                            | 306.37                      |
| (b) Deferred tax liabilities (Net)                | 0.00                              | 0.00                        |
| (c) Other non-financial liabilities               | 99.15                             | 99.50                       |
| <b>Equity</b>                                     |                                   |                             |
| (a) Equity share capital                          | 5,265.91                          | 5,265.91                    |
| (b) Other equity                                  | 35,646.85                         | 33,670.87                   |
| <b>TOTAL LIABILITIES AND EQUITY</b>               | <b>2,10,180.94</b>                | <b>1,71,825.53</b>          |

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Statement of Unaudited cash flows for the half year ended September 30, 2022.

| Particulars                                                                                                                              | [Rs. In Lacs]                     |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                                                          | September 30, 2022<br>[Unaudited] | September 30, 2021<br>[Unaudited] |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               |                                   |                                   |
| Profit before tax                                                                                                                        | 2,930.57                          | 2,205.27                          |
| Adjustments for:                                                                                                                         |                                   |                                   |
| Depreciation, amortisation and impairment                                                                                                | 128.75                            | 65.90                             |
| Interest Income                                                                                                                          | -12,312.77                        | -10,459.63                        |
| Interest expenses                                                                                                                        | 6,298.15                          | 5,817.24                          |
| Impairment on financial instrument                                                                                                       | 487.54                            | 518.41                            |
| Share based payment expense                                                                                                              | -3.99                             | 4.53                              |
| Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)                                                    | 0.00                              | 0.00                              |
| Provision for expenses                                                                                                                   | -0.10                             | 45.13                             |
| Provision for compensated absences and gratuity                                                                                          | 41.99                             | 44.49                             |
| Rental income on investment property                                                                                                     | -3.81                             | -3.81                             |
| (Profit)/ Loss on sale of property, plant and equipment                                                                                  | -0.06                             | -0.06                             |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>-2,333.72</b>                  | <b>-3,763.94</b>                  |
| Adjustments for changes in Working Capital :                                                                                             |                                   |                                   |
| Decrease / (Increase) in trade receivable                                                                                                | 0.00                              | 9.68                              |
| Decrease / (Increase) in loans                                                                                                           | -26,428.89                        | -6,535.50                         |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | -3,234.54                         | 223.97                            |
| Decrease / (Increase) in other financial assets                                                                                          | -116.14                           | 2.74                              |
| Decrease / (Increase) in other non-financial assets                                                                                      | -581.39                           | -1.72                             |
| (Decrease) / Increase in other financial liabilities                                                                                     | 53.57                             | -578.33                           |
| (Decrease) / Increase in provisions                                                                                                      | -13.16                            | -10.71                            |
| (Decrease) / Increase in other non-financial liabilities                                                                                 | -0.35                             | -22.48                            |
| Interest received                                                                                                                        | 12,206.57                         | 9,821.59                          |
| Interest paid                                                                                                                            | -6,535.34                         | -6,166.86                         |
|                                                                                                                                          | -26,985.09                        | -5,019.17                         |
| Income tax paid (net of refunds)                                                                                                         | -777.55                           | -584.93                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>-27,742.58</b>                 | <b>-5,604.10</b>                  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               |                                   |                                   |
| Purchase of property, plant and equipment                                                                                                | -28.89                            | -47.16                            |
| Purchase of investment property                                                                                                          | 0.00                              | -121.98                           |
| Rental income on investment property                                                                                                     | 3.81                              | 3.81                              |
| Proceeds from sale of property, plant and equipment                                                                                      | 0.00                              | 0.00                              |
| Purchase of intangible assets                                                                                                            | -21.35                            | -17.04                            |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>-46.33</b>                     | <b>-182.37</b>                    |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                                    |                                   |                                   |
| Proceeds from issue of equity shares (including securities premium)                                                                      | 0.00                              | 0.00                              |
| Share issue expenses                                                                                                                     | 0.00                              | 0.00                              |
| Amount received from debt securities                                                                                                     | 0.00                              | 3,000.00                          |
| Repayment of debt securities                                                                                                             | -1,650.00                         | -6,150.00                         |
| Amount received from borrowings other than debt securities                                                                               | 65,480.00                         | 22,500.00                         |
| Repayment of borrowings other than debt securities                                                                                       | -25,722.49                        | -17,955.52                        |
| Amount received from subordinated liabilities                                                                                            | 0.00                              | 0.00                              |
| Repayment of subordinated debt                                                                                                           | -1,500.00                         | 0.00                              |
| Payment of lease liabilities                                                                                                             | -74.32                            | -15.30                            |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                                     | <b>36,533.31</b>                  | <b>3,379.68</b>                   |
| <b>Net increase / (Decrease) in Cash and Cash Equivalents</b>                                                                            | <b>8,724.41</b>                   | <b>-4,406.79</b>                  |
| Cash and Cash Equivalents at the beginning of period                                                                                     | 3,277.21                          | 11,793.28                         |
| Cash and Cash Equivalents at the end of the period                                                                                       | 12,001.62                         | 7,386.50                          |

Notes:

1. IIF Finance Limited (the "Company") has prepared an audited financial results (the "Statement") for the Quarter ended and the Half Year ended Sep 30, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations 2015") and the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
2. The above financial results are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on November 10, 2022.
3. The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing with "Operating Segments".
4. Details of loans transferred / acquired during the half year ended September 30, 2022 under RBI Master Direction on Transfer of Loan Exposure dated September 24, 2021 are given below:
 

| Particulars                                                     | Transferred    | Acquired       |
|-----------------------------------------------------------------|----------------|----------------|
| Aggregate amount of loans transferred / acquired (Rs. in lakhs) | 3627.22        | 1519.31        |
| Weighted average maturity (in months)                           | 28.79          | 38.15          |
| Weighted average holding period (in months)                     | 9.37           | 35.11          |
| Retention of beneficial economic interest by the originator     | 10.00%         | 18.00%         |
| Tangible security Coverage                                      | 100.00%        | 100.00%        |
| Rating-wise distribution of rated loans                         | Not Applicable | Not Applicable |

(i) The Company has not transferred any non-performing assets (NPAs).  
(ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.  
(iii) The Company has not acquired any loans not in default through assignment.  
(iv) The Company has not acquired any stressed loan.

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5. All Secured NCDs issued by the company are secured by pari-passu charge and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100% or such higher security as per the respective termsheets of outstanding secured NCDs.
6. The Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in Appendix I.
7. 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, RRC.11 / 21.06/06 / 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            | 84.71                                                                                                                                              | –                                                                 | –                                              | 1.90                                                     | 82.81                                                                                                                                  |
| Total             | 84.71                                                                                                                                              | –                                                                 | –                                              | 1.90                                                     | 82.81                                                                                                                                  |

8. The financial results of the Company for the quarter and half year ended 30 September 2021, were reviewed by the previous auditors S.R. Batliboi & Co LLP, who have expressed an unqualified conclusion vide report dated November 13, 2021.
9. Previous period figures have been regrouped/reclassified wherever required.

#### Appendix I

Analytical Ratios and other disclosures based on Standalone financial results:

|    | Particulars                                                                             | Quarter Ended                     |                              | Half Year Ended                   |                                   | Year Ended                  |
|----|-----------------------------------------------------------------------------------------|-----------------------------------|------------------------------|-----------------------------------|-----------------------------------|-----------------------------|
|    |                                                                                         | September 30, 2022<br>(Unaudited) | June 30, 2022<br>(Unaudited) | September 30, 2022<br>(Unaudited) | September 30, 2021<br>(Unaudited) | March 31, 2022<br>(Audited) |
| a) | Debt equity ratio (no. of times) [refer note ii]                                        | 4.07                              | 3.46                         | 3.43                              | 4.07                              | 3.40                        |
| b) | Debt service coverage ratio                                                             | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| c) | Interest service coverage ratio                                                         | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| d) | Outstanding redeemable preference shares (quantity and value)                           | –                                 | –                            | –                                 | –                                 | –                           |
| e) | Capital redemption reserve                                                              | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| f) | Debt redemption reserve                                                                 | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| g) | Net worth [refer note iii]                                                              | 40,912.75                         | 39,906.34                    | 35,637.12                         | 40,912.75                         | 38,736.77                   |
| h) | Net profit (loss) after tax                                                             | 1,053.62                          | 1,462.95                     | 787.48                            | 2,176.53                          | 1,639.41                    |
| i) | Earnings per share (face value of Rs 10/- each) (not annualized for the interim period) |                                   |                              |                                   |                                   |                             |
|    | -Basic (Rupees)                                                                         | 1.90                              | 2.21                         | 1.52                              | 4.13                              | 3.17                        |
|    | -Diluted (Rupees)                                                                       | 1.90                              | 2.21                         | 1.52                              | 4.13                              | 3.17                        |
| j) | Current ratio                                                                           | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| k) | Long term debt to working capital                                                       | 4.79                              | 3.21                         | 4.27                              | 4.79                              | 4.27                        |
| l) | Bad debts to Account receivable ratio                                                   | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| m) | Current liability ratio                                                                 | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| n) | Total debts to total assets [refer note iv]                                             | 79.20%                            | 76.51%                       | 76.04%                            | 79.20%                            | 76.04%                      |
| o) | Debtors turnover                                                                        | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| p) | Inventory turnover                                                                      | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| q) | Operating margin (%)                                                                    | N/A                               | N/A                          | N/A                               | N/A                               | N/A                         |
| r) | Net profit margin (%) [refer note v]                                                    | 15.89%                            | 19.31%                       | 15.23%                            | 17.55%                            | 15.57%                      |
| s) | Sector specific equivalent ratios, as applicable:                                       |                                   |                              |                                   |                                   |                             |
|    | 1) Capital Adequacy Ratio (%) [refer note vi]                                           | 22.04%                            | 24.11%                       | 24.99%                            | 22.04%                            | 24.11%                      |
|    | 2) Gross Stage-3 Assets % [refer note vii]                                              | 2.53%                             | 2.71%                        | 3.46%                             | 2.53%                             | 2.72%                       |
|    | 3) Net Stage-3 Assets % [refer note viii]                                               | 1.70%                             | 1.83%                        | 2.60%                             | 1.70%                             | 1.82%                       |
| t) | 4) Provision Coverage Ratio for Stage-3 assets [PCR %] [refer note ix]                  | 33.42%                            | 33.13%                       | 25.34%                            | 33.42%                            | 33.78%                      |

#### Notes:

- i) Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the Reserve Bank of India.
- ii) Debt equity ratio = (Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities) / (Equity Share capital + Other equity)
- iii) Net worth = (Equity share capital + Other equity)
- iv) Total debts to total assets = (Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities) / Total assets
- v) Net profit margin = Profit after tax / Total income
- vi) Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- vii) Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets / Gross loan assets
- viii) Net Stage-3 Assets % (as per Ind AS) = (Gross Stage-3 Assets less Impairment loss allowance for Stage-3 Assets) / Gross loan assets less Impairment loss allowance for Stage-3 Assets
- ix) Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets / Gross Stage-3 Assets

Place : Hyderabad  
Date: November 10, 2022

For and on behalf of the Board of Directors  
Vasumathi Devi Koganti  
Vasumathi Devi Koganti  
Managing Director

Registered Office: 80/1, 1st Floor, Corporate Centre, 95/5 Road, Madhavaram, 520 018.  
Tel: 08-2474244, 2474233 Fax: 08-2483153 E-mail: info@vsnl.com, vsm@vsnl.com  
Corporate Office: 41/5, 1st Floor, 6/3, 3rd Cross, Central Plaza, New Tech Park, Hyderabad.  
Raj Rajan Road, 30/3/3/3/3, Hyderabad - 500 082. Tel: 08-2483153 Fax: 08-2483153  
City: Hyderabad, India

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Consolidated Balance Sheet as at March 31, 2020**  
(Currency : INR in lakhs)

| Particulars                                                                                 | Note No | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------|---------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                               |         |                         |                         |
| <b>(1) Financial assets</b>                                                                 |         |                         |                         |
| (a) Cash and cash equivalents                                                               | 3       | 3,219.63                | 1,760.23                |
| (b) Bank Balance other than included in (a) above                                           | 4       | 3,774.93                | 3,632.01                |
| (c) Receivables                                                                             |         |                         |                         |
| (i) Trade receivables                                                                       | 5       | 23.96                   | 137.42                  |
| (d) Loans                                                                                   | 6       | 1,37,854.68             | 1,21,369.52             |
| (e) Investments                                                                             | 8       | -                       | -                       |
| (f) Other financial assets                                                                  | 7       | 1,428.77                | 1,365.59                |
|                                                                                             |         | <b>1,46,311.97</b>      | <b>1,28,262.77</b>      |
| <b>(2) Non-financial assets</b>                                                             |         |                         |                         |
| (a) Current Tax Assets (Net)                                                                |         | 176.36                  | 364.16                  |
| (b) Deferred Tax Assets (Net)                                                               | 29      | 296.70                  | 166.77                  |
| (c) Investment Property                                                                     | 11      | 6.64                    | 6.51                    |
| (d) Property, Plant and Equipment                                                           | 10      | 355.43                  | 348.97                  |
| (e) Right of use asset                                                                      | 10      | 79.73                   | 120.94                  |
| (f) Intangible assets                                                                       | 12      | 218.69                  | 179.26                  |
| (g) Goodwill                                                                                |         | 774.47                  | 774.47                  |
| (h) Other non-financial assets                                                              | 9       | 400.09                  | 441.27                  |
|                                                                                             |         | <b>2,293.31</b>         | <b>2,404.65</b>         |
| <b>Total assets</b>                                                                         |         | <b>1,48,605.28</b>      | <b>1,30,667.43</b>      |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                         |                         |
| <b>LIABILITIES</b>                                                                          |         |                         |                         |
| <b>(1) Financial liabilities</b>                                                            |         |                         |                         |
| (a) 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 |         |                         |                         |
| (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 |         | 17.83                   | 26.03                   |
| (b) Debt securities                                                                         | 13      | 6,109.76                | 12,609.31               |
| (c) Borrowings (other than debt securities)                                                 | 14      | 1,00,797.04             | 81,240.00               |
| (d) Subordinated Liabilities                                                                | 15      | 6,420.76                | 4,525.33                |
| (e) Other financial liabilities                                                             | 16      | 3,005.94                | 4,615.01                |
|                                                                                             |         | <b>1,17,181.35</b>      | <b>1,03,016.19</b>      |
| <b>(2) Non-financial liabilities</b>                                                        |         |                         |                         |
| (a) Current tax liabilities (Net)                                                           |         | 38.63                   | 88.44                   |
| (b) Provisions                                                                              | 17      | 230.93                  | 150.15                  |
| (c) Deferred tax liabilities (Net)                                                          | 29      | -                       | -                       |
| (d) Other non-financial liabilities                                                         | 18      | 149.36                  | 192.00                  |
|                                                                                             |         | <b>418.97</b>           | <b>430.66</b>           |
| <b>EQUITY</b>                                                                               |         |                         |                         |
| (a) Equity share capital                                                                    | 19      | 5,027.64                | 5,027.64                |
| (b) Other equity                                                                            | 20      | 13,553.01               | 12,015.55               |
| (c) Non-Controlling Interest                                                                |         | 422.30                  | 177.39                  |
|                                                                                             |         | <b>31,004.95</b>        | <b>27,220.58</b>        |
| <b>Total liabilities and equity</b>                                                         |         | <b>1,48,605.28</b>      | <b>1,30,667.43</b>      |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the consolidated financial statements.

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

(Currency : INR in lakhs)

| Particulars                                                                           | Note No | As at<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---------------------------------------------------------------------------------------|---------|-------------------------|------------------------------|
| <b>Revenue from operations</b>                                                        |         |                         |                              |
| (i) Interest income                                                                   | 21      | 22,699.07               | 15,745.61                    |
| (ii) Fees and commission income                                                       | 22      | 296.94                  | 33.17                        |
| <b>(I) Total revenue from operations</b>                                              |         | <b>22,996.02</b>        | <b>15,778.78</b>             |
| <b>(II) Other income</b>                                                              | 23      | <b>954.23</b>           | <b>38.86</b>                 |
| <b>(III) Total income (I + II)</b>                                                    |         | <b>23,950.25</b>        | <b>15,817.64</b>             |
| <b>Expenses</b>                                                                       |         |                         |                              |
| (i) Finance costs                                                                     | 24      | 12,534.48               | 8,551.40                     |
| (ii) Impairment on financial instruments                                              | 25      | 2,040.22                | 1,114.34                     |
| (iii) Employee benefits expenses                                                      | 26      | 3,190.89                | 2,395.01                     |
| (iv) Depreciation, amortization and impairment                                        | 27      | 194.80                  | 131.23                       |
| (v) Others expenses                                                                   | 28      | 1,175.54                | 1,133.63                     |
| <b>(IV) Total expenses</b>                                                            |         | <b>19,135.92</b>        | <b>13,325.61</b>             |
| <b>(V) Profit before tax (III - IV)</b>                                               |         | <b>4,814.33</b>         | <b>2,492.03</b>              |
| <b>(VI) Tax Expense:</b>                                                              |         |                         |                              |
| (1) Current Tax                                                                       | 29      | 1,356.89                | 1,548.87                     |
| (2) Deferred Tax                                                                      | 29      | (128.95)                | (990.78)                     |
| (3) Adjustment of tax relating to earlier periods                                     | 29      | 2.13                    | 60.42                        |
|                                                                                       |         | <b>1,230.08</b>         | <b>618.51</b>                |
| <b>(VII) Profit for the period (V-VI)</b>                                             |         | <b>3,584.25</b>         | <b>1,873.51</b>              |
| <b>(VIII) Other comprehensive income</b>                                              |         |                         |                              |
| (A) Items that will not be reclassified to profit or loss (specify items and amounts) |         |                         |                              |
| (a) Remeasurements of the defined benefit plans                                       | 30      | (3.89)                  | 2.42                         |
| Income tax relating to items that will not be reclassified to profit or loss          |         | 0.98                    | (0.69)                       |
| <b>Other comprehensive income / (loss)</b>                                            |         | <b>(2.91)</b>           | <b>1.72</b>                  |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b>                    |         | <b>3,581.33</b>         | <b>1,875.24</b>              |
| Attributable to:                                                                      |         |                         |                              |
| Owners of the Company                                                                 |         | 3,513.68                | 1,873.49                     |
| Non-controlling interest                                                              |         | 67.64                   | 1.76                         |
| <b>(X) Earnings per equity share</b>                                                  |         |                         |                              |
| Basic (Rs.)                                                                           |         | 7.13                    | 3.95                         |
| Diluted (Rs.)                                                                         |         | 7.12                    | 3.95                         |

Significant 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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

Consolidated Cash Flow statement for the year ended March 31, 2020  
(Currency : INR in lakhs)

| Particulars                                                                                                                              | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Profit before tax                                                                                                                        | 4,814.33                             | 2,492.03                             |
| 2018 IKFHF Other equity                                                                                                                  |                                      |                                      |
| <b>Adjustments for:</b>                                                                                                                  |                                      |                                      |
| Depreciation, amortisation and impairment                                                                                                | 194.50                               | 131.23                               |
| Interest income                                                                                                                          | (22,659.07)                          | (15,745.61)                          |
| Interest expenses                                                                                                                        | 12,715.31                            | 8,551.39                             |
| Impairment on financial instrument                                                                                                       | 2,040.22                             | 1,114.34                             |
| Lease equalisation                                                                                                                       | (6.25)                               | (6.26)                               |
| Share based payment expense                                                                                                              | 17.56                                | -                                    |
| Net gain/(loss) on financial instrument at amortised category                                                                            | (880.55)                             | -                                    |
| Provision for expenses                                                                                                                   | 31.69                                | 14.22                                |
| Employee benefit expenses                                                                                                                | 94.71                                | 80.94                                |
| Rental income on investment property                                                                                                     | (7.63)                               | (7.63)                               |
| Loss on sale of property, plant and equipment                                                                                            | 3.03                                 | 13.24                                |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>(3,879.44)</b>                    | <b>(3,362.70)</b>                    |
| <b>Adjustments for changes in Working Capital :</b>                                                                                      |                                      |                                      |
| Decrease / (Increase) in trade receivable                                                                                                | 85.76                                | (2.96)                               |
| Decrease / (Increase) in loans                                                                                                           | (14,492.42)                          | (32,372.40)                          |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | (142.92)                             | 1,946.14                             |
| Decrease / (Increase) in other financial assets                                                                                          | (58.51)                              | (55.79)                              |
| Decrease / (Increase) in other non-financial assets                                                                                      | 41.13                                | (57.92)                              |
| (Decrease) / Increase in trade payables                                                                                                  | (8.20)                               | 25.45                                |
| (Decrease) / Increase in other financial liabilities                                                                                     | (769.83)                             | (1,577.21)                           |
| (Decrease) / Increase in provisions                                                                                                      | (17.83)                              | (7.09)                               |
| (Decrease) / Increase in other non-financial liabilities                                                                                 | (42.71)                              | 74.55                                |
| Interest received                                                                                                                        | 21,853.55                            | 17,345.39                            |
| Interest paid                                                                                                                            | (11,104.86)                          | (8,155.92)                           |
|                                                                                                                                          | <b>(8,536.55)</b>                    | <b>(26,940.41)</b>                   |
| Income tax paid (net of refunds)                                                                                                         | (1,201.19)                           | (1,567.52)                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(9,737.73)</b>                    | <b>(28,507.94)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Purchase of property, plant and equipment                                                                                                | (95.21)                              | (38.08)                              |
| Rental income on investment property                                                                                                     | 7.63                                 | 7.63                                 |
| Proceeds from sale of property, plant and equipment                                                                                      | 0.19                                 | 0.42                                 |
| Purchase of intangible assets                                                                                                            | (89.94)                              | (85.52)                              |
| Acquisition of Subsidiary                                                                                                                |                                      | (3,669.06)                           |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>(180.34)</b>                      | <b>(3,785.01)</b>                    |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                                    |                                      |                                      |
| Proceeds from issue of equity shares (including securities premium)                                                                      | 175.00                               | 1,190.19                             |
| Amount received from debt securities                                                                                                     | 3,000.00                             | 6,000.00                             |
| Repayment of debt securities                                                                                                             | (11,611.11)                          | (10,383.86)                          |
| Amount received from borrowings other than debt securities                                                                               | 41,007.06                            | 52,036.82                            |
| Repayment of borrowings other than debt securities                                                                                       | (25,117.25)                          | (18,709.86)                          |
| Amount received from subordinated liabilities                                                                                            | 2,000.00                             | -                                    |
| Repayment of subordinated debt                                                                                                           |                                      | -                                    |
| Payment of principal portion of lease liabilities                                                                                        | (34.40)                              | (37.04)                              |
| Payment of interest on lease liabilities                                                                                                 | (11.80)                              | (10.91)                              |
| Deposits received (net)                                                                                                                  |                                      |                                      |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                                     | <b>11,387.47</b>                     | <b>30,085.34</b>                     |
| <b>Net increase / (Decrease) In Cash and Cash Equivalents</b>                                                                            | <b>1,469.40</b>                      | <b>(2,207.61)</b>                    |
| Cash and Cash Equivalents at the beginning of Year                                                                                       | 1,750.13                             | 3,957.84                             |
| Cash and Cash Equivalents at the end of the Year                                                                                         | 3,229.53                             | 1,750.23                             |

The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Ind AS 7 on "Statement of Cash Flows".

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Balance Sheet as at March 31, 2020**  
(Currency : INR in lakhs)

| Particulars                                                                                 | Note No | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                               |         |                      |                      |                      |
| <b>(1) Financial assets</b>                                                                 |         |                      |                      |                      |
| (a) Cash and cash equivalents                                                               | 3       | 2,485.62             | 1,372.66             | 3,067.88             |
| (b) Bank Balance other than included in (a) above                                           | 4       | 3,774.93             | 3,632.01             | 5,578.15             |
| (c) Receivables                                                                             |         |                      |                      |                      |
| (i) Trade receivables                                                                       | 5       | 23.96                | 135.42               | 130.43               |
| (d) Loans                                                                                   | 6       | 1,26,010.88          | 1,09,462.92          | 71,886.14            |
| (e) Investments                                                                             | 8       | 4,525.10             | 4,525.10             | -                    |
| (f) Other financial assets                                                                  | 7       | 340.92               | 1,226.38             | 3,418.66             |
|                                                                                             |         | <b>1,37,161.41</b>   | <b>1,20,354.49</b>   | <b>84,081.26</b>     |
| <b>(2) Non-financial assets</b>                                                             |         |                      |                      |                      |
| (a) Current Tax Assets (Net)                                                                |         | 156.56               | 345.89               | 410.72               |
| (b) Deferred Tax Assets (Net)                                                               | 29      | 344.61               | 132.27               | -                    |
| (c) Investment Property                                                                     | 11      | 6.64                 | 6.81                 | 6.98                 |
| (d) Property, Plant and Equipment                                                           | 10      | 272.40               | 287.75               | 329.28               |
| (e) Right of use asset                                                                      | 10      | 63.55                | 91.59                | 16.46                |
| (f) Intangible assets                                                                       | 12      | 178.39               | 141.14               | 70.67                |
| (g) Other non-financial assets                                                              | 9       | 354.74               | 418.01               | 300.28               |
|                                                                                             |         | <b>1,376.89</b>      | <b>1,423.46</b>      | <b>1,214.39</b>      |
| <b>Total assets</b>                                                                         |         | <b>1,38,538.30</b>   | <b>1,21,777.95</b>   | <b>85,295.65</b>     |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                      |                      |                      |
| <b>LIABILITIES</b>                                                                          |         |                      |                      |                      |
| <b>(1) Financial liabilities</b>                                                            |         |                      |                      |                      |
| (a) 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 |         | -                    | -                    | -                    |
| (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                                                                         | 13      | 6,109.76             | 12,609.31            | 16,076.68            |
| (c) Borrowings (other than debt securities)                                                 | 14      | 93,150.90            | 72,788.63            | 33,588.92            |
| (d) Subordinated Liabilities                                                                | 15      | 6,450.76             | 4,525.83             | 7,011.99             |
| (e) Other financial liabilities                                                             | 16      | 2,738.86             | 4,505.98             | 4,889.84             |
|                                                                                             |         | <b>1,08,450.28</b>   | <b>94,429.75</b>     | <b>62,567.43</b>     |
| <b>(2) Non-financial liabilities</b>                                                        |         |                      |                      |                      |
| (a) Current tax liabilities (Net)                                                           |         | -                    | 88.44                | 93.23                |
| (b) Provisions                                                                              | 17      | 208.48               | 139.15               | 68.61                |
| (c) Deferred tax liabilities (Net)                                                          | 29      | -                    | -                    | 821.30               |
| (d) Other non-financial liabilities                                                         | 18      | 118.69               | 147.13               | 104.15               |
|                                                                                             |         | <b>327.17</b>        | <b>374.72</b>        | <b>1,067.29</b>      |
| <b>EQUITY</b>                                                                               |         |                      |                      |                      |
| (a) Equity share capital                                                                    | 19      | 5,027.64             | 5,027.64             | 4,692.48             |
| (b) Other equity                                                                            | 20      | 24,733.21            | 21,945.84            | 16,948.45            |
|                                                                                             |         | <b>29,760.85</b>     | <b>26,973.48</b>     | <b>21,640.93</b>     |
| <b>Total liabilities and equity</b>                                                         |         | <b>1,38,538.30</b>   | <b>1,21,777.95</b>   | <b>85,295.65</b>     |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**  
(Currency : INR in lakhs)

| Particulars                                                                                  | Note No | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|----------------------------------------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>Revenue From operations</b>                                                               |         |                              |                              |
| (i) Interest Income                                                                          | 21      | 20,567.97                    | 15,500.11                    |
| (ii) Fees and commission Income                                                              | 22      | 1.10                         | 5.33                         |
| <b>(I) Total revenue from operations</b>                                                     |         | <b>20,569.07</b>             | <b>15,505.44</b>             |
| (II) Other Income                                                                            | 23      | 19.22                        | 26.68                        |
| <b>(III) Total Income (I + II)</b>                                                           |         | <b>20,588.29</b>             | <b>15,532.12</b>             |
| <b>Expenses</b>                                                                              |         |                              |                              |
| (i) Finance costs                                                                            | 24      | 11,551.63                    | 8,487.93                     |
| (ii) Impairment on financial instruments                                                     | 25      | 1,634.74                     | 1,117.30                     |
| (iii) Employee benefits expenses                                                             | 26      | 2,505.30                     | 2,264.03                     |
| (iv) Depreciation, amortization and impairment                                               | 27      | 149.12                       | 122.42                       |
| (v) Others expenses                                                                          | 28      | 953.75                       | 1,085.81                     |
| <b>(IV) Total expenses</b>                                                                   |         | <b>16,794.54</b>             | <b>13,077.49</b>             |
| <b>(V) Profit before tax (III - IV)</b>                                                      |         | <b>3,793.75</b>              | <b>2,454.63</b>              |
| <b>(VI) Tax Expense:</b>                                                                     |         |                              |                              |
| (1) Current Tax                                                                              | 29      | 1,229.39                     | 1,531.57                     |
| (2) Deferred Tax                                                                             | 29      | (211.14)                     | (953.92)                     |
| (3) Adjustment of tax relating to earlier periods                                            | 29      | 2.13                         | 60.42                        |
|                                                                                              |         | <b>1,020.38</b>              | <b>638.07</b>                |
| <b>(VII) Profit for the period (V-VI)</b>                                                    |         | <b>2,773.37</b>              | <b>1,816.56</b>              |
| <b>(VIII) Other comprehensive income</b>                                                     |         |                              |                              |
| <b>(A) Items that will not be reclassified to profit or loss (specify items and amounts)</b> |         |                              |                              |
| (a) Remeasurements of the defined benefit plans                                              | 30      | (4.76)                       | 1.15                         |
| Income tax relating to items that will not be reclassified to profit or loss                 |         | 1.20                         | (0.34)                       |
| <b>Other comprehensive income / (loss)</b>                                                   |         | <b>(3.56)</b>                | <b>0.81</b>                  |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b>                           |         | <b>2,769.81</b>              | <b>1,817.37</b>              |
| <b>(X) Earnings per share (equity share, par value of Rs.10 each)</b>                        |         |                              |                              |
| Basic                                                                                        | 31      | 5.52                         | 3.83                         |
| Diluted                                                                                      | 31      | 5.51                         | 3.83                         |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S. R. BATUBOI & CO. LLP  
Chartered Accountants  
ICAI Firm registration number : 301003E/E300005

For and on behalf of the Board of Directors of  
IKF Finance Limited  
CIN: U65992AP1991PLC012716

Sd/-

Sd/-

Sd/-

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

**Cash Flow statement for the year ended March 31, 2020**

(Currency : INR in lakhs)

| Particulars                                                                                                                              | For the Year ended<br>March 31, 2020 | For the Year ended<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Profit before tax                                                                                                                        | 3,753.75                             | 2,454.63                             |
| <b>Adjustments for:</b>                                                                                                                  |                                      |                                      |
| Depreciation, amortisation and impairment                                                                                                | 149.12                               | 122.42                               |
| Interest income                                                                                                                          | (20,567.97)                          | (15,500.11)                          |
| Interest expenses                                                                                                                        | 11,551.63                            | 8,487.93                             |
| Impairment on financial instrument                                                                                                       | 1,634.74                             | 1,117.30                             |
| Lease equalisation                                                                                                                       | -                                    | (6.66)                               |
| Share based payment expense                                                                                                              | 17.56                                | -                                    |
| Provision for expenses                                                                                                                   | 5.03                                 | -                                    |
| Employee benefit expenses                                                                                                                | 86.54                                | 78.05                                |
| Rental income on investment property                                                                                                     | (7.63)                               | (7.63)                               |
| Loss on sale of property, plant and equipment                                                                                            | 3.03                                 | 13.24                                |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>(3,334.20)</b>                    | <b>(3,241.02)</b>                    |
| <b>Adjustments for changes in Working Capital:</b>                                                                                       |                                      |                                      |
| Decrease / (Increase) in trade receivable                                                                                                | 85.26                                | (4.98)                               |
| Decrease / (Increase) in loans                                                                                                           | (14,149.75)                          | (76,659.82)                          |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | (142.52)                             | 1,946.14                             |
| Decrease / (Increase) in other financial assets                                                                                          | 9.27                                 | (8.47)                               |
| Decrease / (Increase) in other non-financial assets                                                                                      | 63.27                                | (37.73)                              |
| (Decrease) / Increase in trade payables                                                                                                  | -                                    | -                                    |
| (Decrease) / Increase in other financial liabilities                                                                                     | (1,747.77)                           | (452.63)                             |
| (Decrease) / Increase in provisions                                                                                                      | (21.66)                              | (6.36)                               |
| (Decrease) / Increase in other non-financial liabilities                                                                                 | (28.44)                              | (42.98)                              |
| Interest received                                                                                                                        | 19,722.44                            | 16,951.89                            |
| Interest paid                                                                                                                            | (10,130.21)                          | (8,256.28)                           |
|                                                                                                                                          | <b>(9,674.52)</b>                    | <b>(19,727.78)</b>                   |
| Income tax paid (net of refunds)                                                                                                         | (1,130.62)                           | (1,531.56)                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(10,609.34)</b>                   | <b>(21,259.74)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Purchase of property, plant and equipment                                                                                                | (56.00)                              | (38.41)                              |
| Rental income on investment property                                                                                                     | 7.63                                 | 7.63                                 |
| Proceeds from sale of property, plant and equipment                                                                                      | 0.19                                 | 0.41                                 |
| Purchase of intangible assets                                                                                                            | (72.65)                              | (95.63)                              |
| Purchase of investment in measured at cost                                                                                               | -                                    | (4,525.10)                           |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>(120.83)</b>                      | <b>(4,651.09)</b>                    |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                                    |                                      |                                      |
| Proceeds from issue of equity shares (including securities premium)                                                                      | -                                    | 1,015.18                             |
| Amount received from debt securities                                                                                                     | 5,000.00                             | 6,000.00                             |
| Repayment of debt securities                                                                                                             | (11,611.11)                          | (10,383.86)                          |
| Amount received from borrowings other than debt securities                                                                               | 39,307.06                            | 44,286.82                            |
| Repayment of borrowings other than debt securities                                                                                       | (22,606.71)                          | (16,670.03)                          |
| Amount received from subordinated liabilities                                                                                            | 2,000.00                             | (0.00)                               |
| Payment of principal portion of lease liabilities                                                                                        | (41.37)                              | (25.42)                              |
| Payment of interest on lease liabilities                                                                                                 | (8.95)                               | (7.07)                               |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                                     | <b>12,058.92</b>                     | <b>24,215.62</b>                     |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                                                                            | <b>1,128.75</b>                      | <b>(1,695.21)</b>                    |
| Cash and Cash Equivalents at the beginning of Year                                                                                       | 1,372.66                             | 3,067.88                             |
| Cash and Cash Equivalents at the end of the Year                                                                                         | 2,485.62                             | 1,372.66                             |

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

**Consolidated Balance Sheet as at March 31, 2021**

(Currency : INR in lakhs)

| Particulars                                                                                 | Note No | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|
| <b>ASSETS</b>                                                                               |         |                      |                      |
| <b>(1) Financial assets</b>                                                                 |         |                      |                      |
| (a) Cash and cash equivalents                                                               | 3       | 14,474.42            | 3,229.63             |
| (b) Bank Balance other than included in (a) above                                           | 4       | 4,164.82             | 3,774.93             |
| (c) Receivables                                                                             |         |                      |                      |
| (i) Trade receivables                                                                       | 5       | 65.27                | 23.96                |
| (d) Loans                                                                                   | 6       | 1,58,784.68          | 1,38,041.67          |
| (e) Investments                                                                             | 8       | -                    | -                    |
| (f) Other financial assets                                                                  | 7       | 1,968.14             | 1,241.78             |
|                                                                                             |         | <b>1,79,457.33</b>   | <b>1,46,311.97</b>   |
| <b>(2) Non-financial assets</b>                                                             |         |                      |                      |
| (a) Current Tax Assets (Net)                                                                |         | 217.94               | 156.56               |
| (b) Deferred Tax Assets (Net)                                                               | 29      | -                    | 298.70               |
| (c) Investment Property                                                                     | 11      | 6.47                 | 6.64                 |
| (d) Property, Plant and Equipment                                                           | 10      | 319.40               | 358.43               |
| (e) Right of use asset                                                                      | 10      | 45.71                | 79.73                |
| (f) Intangible assets                                                                       | 12      | 207.32               | 218.68               |
| (g) Goodwill                                                                                |         | 774.47               | 774.47               |
| (h) Other non-financial assets                                                              | 9       | 401.70               | 373.52               |
|                                                                                             |         | <b>1,973.01</b>      | <b>2,266.73</b>      |
| <b>Total assets</b>                                                                         |         | <b>1,81,430.34</b>   | <b>1,48,578.70</b>   |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                      |                      |
| <b>LIABILITIES</b>                                                                          |         |                      |                      |
| <b>(1) Financial liabilities</b>                                                            |         |                      |                      |
| (a) Payables                                                                                |         |                      |                      |
| (i) Trade payables and 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 |         | 23.52                | 17.85                |
| (b) Debt securities                                                                         | 13      | 43,210.76            | 6,109.76             |
| (c) Borrowings (other than debt securities)                                                 | 14      | 92,148.69            | 1,00,834.33          |
| (d) Subordinated Liabilities                                                                | 15      | 5,986.79             | 6,450.76             |
| (e) Other financial liabilities                                                             | 16      | 3,583.67             | 3,742.07             |
|                                                                                             |         | <b>1,44,953.43</b>   | <b>1,17,154.77</b>   |
| <b>(2) Non-financial liabilities</b>                                                        |         |                      |                      |
| (a) Current tax liabilities (Net)                                                           |         | 71.90                | 38.68                |
| (b) Provisions                                                                              | 17      | 303.22               | 230.93               |
| (c) Deferred tax liabilities (Net)                                                          | 29      | 116.67               | -                    |
| (d) Other non-financial liabilities                                                         | 18      | 148.76               | 149.37               |
|                                                                                             |         | <b>640.55</b>        | <b>418.98</b>        |
| <b>EQUITY</b>                                                                               |         |                      |                      |
| (a) Equity share capital                                                                    | 19      | 5,167.49             | 5,027.64             |
| (b) Other equity                                                                            | 20      | 30,169.33            | 25,555.01            |
| (c) Non-Controlling Interest                                                                |         | 499.54               | 422.30               |
|                                                                                             |         | <b>35,836.36</b>     | <b>31,004.95</b>     |
| <b>Total liabilities and equity</b>                                                         |         | <b>1,81,430.34</b>   | <b>1,48,578.70</b>   |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2021**

(Currency : INR in lakhs)

| Particulars                                                                                  | Note No | As at<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|----------------------------------------------------------------------------------------------|---------|-------------------------|------------------------------|
| <b>Revenue From operations</b>                                                               |         |                         |                              |
| (i) Interest income                                                                          | 21      | 23,422.50               | 23,579.61                    |
| (ii) Fees and commission income                                                              | 22      | 329.07                  | 296.94                       |
| <b>(I) Total revenue from operations</b>                                                     |         | <b>23,751.57</b>        | <b>23,876.55</b>             |
| (II) Other income                                                                            | 23      | 57.33                   | 73.67                        |
| <b>(III) Total income (I + II)</b>                                                           |         | <b>23,808.90</b>        | <b>23,950.22</b>             |
| <b>Expenses</b>                                                                              |         |                         |                              |
| (i) Finance costs                                                                            | 24      | 12,865.82               | 12,534.48                    |
| (ii) Impairment on financial instruments                                                     | 25      | 781.57                  | 2,040.22                     |
| (iii) Employee benefits expenses                                                             | 26      | 3,438.10                | 3,190.88                     |
| (iv) Depreciation, amortization and impairment                                               | 27      | 193.18                  | 194.80                       |
| (v) Others expenses                                                                          | 28      | 1,219.14                | 1,175.54                     |
| <b>(IV) Total expenses</b>                                                                   |         | <b>18,497.81</b>        | <b>19,135.92</b>             |
| <b>(V) Profit before tax (III - IV)</b>                                                      |         | <b>5,311.09</b>         | <b>4,814.30</b>              |
| <b>(VI) Tax Expense:</b>                                                                     |         |                         |                              |
| (1) Current Tax                                                                              | 29      | 1,044.15                | 1,356.89                     |
| (2) Deferred Tax                                                                             | 29      | 411.32                  | (128.95)                     |
| (3) Adjustment of tax relating to earlier periods                                            | 29      | 65.46                   | 2.13                         |
|                                                                                              |         | <b>1,520.93</b>         | <b>1,230.07</b>              |
| <b>(VII) Profit for the period (V-VI)</b>                                                    |         | <b>3,790.16</b>         | <b>3,584.23</b>              |
| <b>(VIII) Other comprehensive income</b>                                                     |         |                         |                              |
| <b>(A) Items that will not be reclassified to profit or loss (specify items and amounts)</b> |         |                         |                              |
| (a) Remeasurements of the defined benefit plans                                              | 30      | 16.20                   | (3.89)                       |
| Income tax relating to items that will not be reclassified to profit or loss                 |         | (4.08)                  | 0.98                         |
| <b>Other comprehensive income / (loss)</b>                                                   |         | <b>12.12</b>            | <b>(2.91)</b>                |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b>                           |         | <b>3,802.28</b>         | <b>3,581.32</b>              |
| <b>Attributable to:</b>                                                                      |         |                         |                              |
| Owners of the Company                                                                        |         | 3,725.04                | 3,513.68                     |
| Non-controlling interest                                                                     |         | 77.24                   | 67.64                        |
| <b>(X) Earnings per equity share</b>                                                         | 31      |                         |                              |
| Basic (Rs.)                                                                                  |         | 7.54                    | 7.13                         |
| Diluted (Rs.)                                                                                |         | 7.53                    | 7.12                         |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the consolidated financial statements

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

Consolidated Cash Flow statement for the year ended March 31, 2021  
(Currency : INR in lakhs)

| Particulars                                                                                                                       | For the Year ended<br>March 31, 2021 | For the Year ended<br>March 31, 2020 |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                        |                                      |                                      |
| Profit before tax                                                                                                                 | 5,311.09                             | 4,814.30                             |
| Adjustments for:                                                                                                                  |                                      |                                      |
| Depreciation, amortization and impairment                                                                                         | 193.18                               | 194.80                               |
| Interest income                                                                                                                   | (23,422.49)                          | (23,579.61)                          |
| Interest expenses                                                                                                                 | 12,865.83                            | 12,518.30                            |
| Impairment on financial instrument                                                                                                | 781.57                               | 2,040.22                             |
| Lease equalization                                                                                                                | -                                    | (6.85)                               |
| Share based payment expense                                                                                                       | 13.09                                | 17.56                                |
| Provision for expenses                                                                                                            | 4.83                                 | 31.69                                |
| Employee benefit expenses                                                                                                         | 106.26                               | 94.71                                |
| Rental income on investment property                                                                                              | (6.36)                               | (7.63)                               |
| (Profit)/ Loss on sale of property, plant and equipment                                                                           | (0.14)                               | 3.03                                 |
| Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid | (4,153.14)                           | (3,879.48)                           |
| <u>Adjustments for changes in Working Capital :</u>                                                                               |                                      |                                      |
| Decrease / (Increase) in trade receivable                                                                                         | (44.40)                              | 85.76                                |
| Decrease / (Increase) in loans                                                                                                    | (28,317.25)                          | (14,652.82)                          |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                       | (389.89)                             | (142.92)                             |
| Decrease / (Increase) in other financial assets                                                                                   | (292.59)                             | 128.18                               |
| Decrease / (Increase) in other non-financial assets                                                                               | (28.18)                              | 41.18                                |
| (Decrease) / Increase in trade payables                                                                                           | 5.67                                 | (8.20)                               |
| (Decrease) / Increase in other financial liabilities                                                                              | (125.82)                             | (833.71)                             |
| (Decrease) / Increase in provisions                                                                                               | (17.77)                              | (17.83)                              |
| (Decrease) / Increase in other non-financial liabilities                                                                          | (0.60)                               | (42.71)                              |
| Interest received                                                                                                                 | 20,192.84                            | 21,853.54                            |
| Interest paid                                                                                                                     | (10,940.08)                          | (11,104.85)                          |
|                                                                                                                                   | (24,111.21)                          | (8,579.86)                           |
| Income tax paid (net of refunds)                                                                                                  | (1,137.77)                           | (1,201.19)                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                   | <b>(25,248.98)</b>                   | <b>(9,775.05)</b>                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                        |                                      |                                      |
| Purchase of property, plant and equipment                                                                                         | (45.96)                              | (58.20)                              |
| Rental income on investment property                                                                                              | 6.36                                 | 7.63                                 |
| Proceeds from sale of property, plant and equipment                                                                               | 0.54                                 | 0.19                                 |
| Purchase of intangible assets                                                                                                     | (47.95)                              | (89.93)                              |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                   | <b>(87.01)</b>                       | <b>(140.31)</b>                      |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                             |                                      |                                      |
| Proceeds from issue of equity shares (including securities premium)                                                               | 1,015.18                             | 175.00                               |
| Amount received from debt securities                                                                                              | 39,500.00                            | 5,000.00                             |
| Repayment of debt securities                                                                                                      | (3,300.00)                           | (11,611.11)                          |
| Amount received from borrowings other than debt securities                                                                        | 38,025.08                            | 41,007.06                            |
| Repayment of borrowings other than debt securities                                                                                | (38,101.19)                          | (25,079.99)                          |
| Amount received from subordinated liabilities                                                                                     | 2,500.00                             | 2,000.00                             |
| Repayment of subordinated debt                                                                                                    | (3,000.00)                           | -                                    |
| Payment of principal portion of lease liabilities                                                                                 | (51.94)                              | (54.40)                              |
| Payment of interest on lease liabilities                                                                                          | (6.35)                               | (11.80)                              |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                              | <b>36,580.78</b>                     | <b>11,424.76</b>                     |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                                                                     | <b>11,244.79</b>                     | <b>1,469.40</b>                      |
| Cash and Cash Equivalents at the beginning of Year                                                                                | 3,229.63                             | 1,760.23                             |
| Cash and Cash Equivalents at the end of the Year                                                                                  | 14,474.42                            | 3,229.63                             |

The above Cash Flow Statement has been prepared under the "indirect method" as set out in Ind AS 7 on "Statement of Cash Flows".

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Balance Sheet as at March 31, 2021**  
(Currency - INR in lakhs)

| Particulars                                                                                 | Note No | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|
| <b>ASSETS</b>                                                                               |         |                      |                      |
| (1) Financial assets                                                                        | 3       | 11,793.28            | 2,485.62             |
| (a) Cash and cash equivalents                                                               | 4       | 3,064.82             | 1,774.93             |
| (b) Bank Balance other than included in (a) above                                           |         |                      |                      |
| (c) Receivables                                                                             | 5       | 49.39                | 23.90                |
| (i) Trade receivables                                                                       | 6       | 1,40,141.15          | 1,26,037.44          |
| (d) Loans                                                                                   | 8       | 4,525.16             | 4,525.10             |
| (e) Investments                                                                             | 7       | 969.15               | 340.52               |
| (f) Other financial assets                                                                  |         | 1,61,462.89          | 1,37,187.97          |
| (2) Non-financial assets                                                                    |         | 217.94               | 156.56               |
| (a) Current Tax Assets (Net)                                                                | 29      | -                    | 344.61               |
| (b) Deferred Tax Assets (Net)                                                               | 11      | 6.47                 | 6.54                 |
| (c) Investment Property                                                                     | 10      | 240.52               | 272.40               |
| (d) Property, Plant and Equipment                                                           | 10      | 24.77                | 63.55                |
| (e) Right of use asset                                                                      | 12      | 170.57               | 178.39               |
| (f) Intangible assets                                                                       | 9       | 381.01               | 318.18               |
| (g) Other non-financial assets                                                              |         | 1,042.28             | 1,350.38             |
| <b>Total assets</b>                                                                         |         | <b>1,62,505.17</b>   | <b>1,38,538.30</b>   |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                      |                      |
| <b>LIABILITIES</b>                                                                          |         |                      |                      |
| (1) Financial liabilities                                                                   |         |                      |                      |
| (a) Payables                                                                                |         |                      |                      |
| (i) Trade payables and 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 | 13      | 33,637.94            | 6,109.76             |
| (b) Debt securities                                                                         | 14      | 85,755.80            | 93,150.90            |
| (c) Borrowings (other than debt securities)                                                 | 15      | 5,986.79             | 6,450.76             |
| (d) Subordinated liabilities                                                                | 16      | 2,670.12             | 2,738.86             |
| (e) Other financial liabilities                                                             |         | 1,28,100.74          | 1,68,450.28          |
| (2) Non-financial liabilities                                                               | 17      | 275.54               | 208.48               |
| (a) Provisions                                                                              | 29      | 27.12                | -                    |
| (b) Deferred tax liabilities (Net)                                                          | 18      | 112.09               | 118.69               |
| (c) Other non-financial liabilities                                                         |         | 414.74               | 317.17               |
| <b>EQUITY</b>                                                                               |         |                      |                      |
| (a) Equity share capital                                                                    | 19      | 5,167.49             | 5,017.64             |
| (b) Other equity                                                                            | 20      | 28,822.20            | 24,793.21            |
|                                                                                             |         | 23,889.69            | 29,760.85            |
| <b>Total liabilities and equity</b>                                                         |         | <b>1,62,505.17</b>   | <b>1,38,538.30</b>   |

Significant accounting policies and key accounting estimates and judgments  
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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**  
(Currency : INR in lakhs)

| Particulars                                                                           | Note No | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---------------------------------------------------------------------------------------|---------|---------------------------|---------------------------|
| Revenue From operations                                                               | 21      | 20,295.71                 | 20,440.51                 |
| (i) Interest income                                                                   | 22      | 110.92                    | 128.56                    |
| (ii) Fees and commission income                                                       |         |                           |                           |
|                                                                                       |         | 20,405.63                 | 20,569.07                 |
| (iii) Total revenue from operations                                                   |         |                           |                           |
|                                                                                       | 23      | 16.29                     | 19.22                     |
| (iv) Other income                                                                     |         | 20,422.92                 | 20,588.29                 |
| (v) Total income (i + ii)                                                             |         |                           |                           |
| Expenses                                                                              |         |                           |                           |
| (i) Finance costs                                                                     | 24      | 11,509.00                 | 11,551.09                 |
| (ii) Impairment on financial instruments                                              | 25      | 647.15                    | 1,634.74                  |
| (iii) Employee benefits expenses                                                      | 26      | 2,611.34                  | 1,505.30                  |
| (iv) Depreciation, amortisation and impairment                                        | 27      | 144.14                    | 145.12                    |
| (v) Others expenses                                                                   | 28      | 981.02                    | 952.75                    |
| (vi) Total expenses                                                                   |         | 16,092.65                 | 16,794.54                 |
| (vii) Profit before tax (iii - iv)                                                    |         | 4,420.27                  | 3,793.75                  |
| (viii) Tax Expense:                                                                   |         |                           |                           |
| (1) Current Tax                                                                       | 29      | 795.96                    | 1,229.39                  |
| (2) Deferred Tax                                                                      | 29      | 368.34                    | (711.14)                  |
| (3) Adjustment of tax relating to earlier periods                                     | 29      | 65.46                     | 2.13                      |
|                                                                                       |         | 1,229.76                  | 1,020.38                  |
| (ix) Profit for the period (v - vi)                                                   |         | 3,190.51                  | 2,773.37                  |
| (x) Other comprehensive income:                                                       |         |                           |                           |
| (A) Items that will not be reclassified to profit or loss (specify items and amounts) | 30      | 13.44                     | (4.76)                    |
| (a) Remeasurements of the defined benefit plans                                       |         | (2.38)                    | 1.20                      |
| Income tax relating to items that will not be reclassified to profit or loss          |         | 10.66                     | (3.56)                    |
| Other comprehensive income / (loss)                                                   |         |                           |                           |
| (xi) Total comprehensive income for the period (vii + x)                              |         | 3,203.95                  | 2,768.61                  |
| (xii) Earnings per share (equity share, par value of Rs.10 each)                      |         |                           |                           |
| Basic                                                                                 | 31      | 6.35                      | 5.52                      |
| Diluted                                                                               | 31      | 6.34                      | 5.51                      |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements  
As per our report of even date

For S. R. SATYAN & CO. LLP  
Chartered Accountants  
ICAI Firm registration number : 301603E/E300005

For and on behalf of the Board of Directors of  
IKF Finance Limited  
CIN: U65912AP1999PLC012716

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Cash Flow statement for the year ended March 31, 2023**  
(Currency: INR in lakhs)

| Particulars                                                                                                                              | For the year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               | <b>4,420.27</b>                      | <b>3,793.75</b>                      |
| Profit before tax                                                                                                                        |                                      |                                      |
| Adjustments for:                                                                                                                         |                                      |                                      |
| Depreciation, amortisation and impairment                                                                                                | 144.34                               | 149.33                               |
| Interest income                                                                                                                          | (20,295.71)                          | (20,440.51)                          |
| Interest expense                                                                                                                         | 11,609.00                            | 11,351.63                            |
| Impairment on financial instrument                                                                                                       | 647.15                               | 1,834.74                             |
| Share based payment expense                                                                                                              | 13.09                                | 17.54                                |
| Provision for expenses                                                                                                                   | 4.83                                 | 5.01                                 |
| Employee benefit expenses                                                                                                                | 98.26                                | 85.54                                |
| Rental income on investment property                                                                                                     | (9.36)                               | (7.61)                               |
| (Increase) / decrease in other non-financial assets                                                                                      | (0.14)                               | 3.01                                 |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>(1,365.47)</b>                    | <b>(3,206.74)</b>                    |
| Adjustments for changes in Working Capital:                                                                                              |                                      |                                      |
| Decrease / (Increase) in trade receivables                                                                                               | (20.57)                              | 85.36                                |
| Decrease / (Increase) in trade payables                                                                                                  | (1,661.13)                           | (1,176.12)                           |
| Decrease / (Increase) in loans                                                                                                           | (189.89)                             | (542.12)                             |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                              | (261.13)                             | 9.27                                 |
| Decrease / (Increase) in other financial assets                                                                                          | (53.83)                              | 89.42                                |
| Decrease / (Increase) in other non-financial assets                                                                                      | (82.61)                              | (1,747.78)                           |
| (Decrease) / Increase in other financial liabilities                                                                                     | (17.76)                              | (21.95)                              |
| (Decrease) / Increase in provisions                                                                                                      | (6.41)                               | (28.44)                              |
| (Decrease) / Increase in other non-financial liabilities                                                                                 |                                      |                                      |
| Interest received                                                                                                                        | 17,250.35                            | 15,594.99                            |
| Interest paid                                                                                                                            | (10,176.00)                          | (10,130.21)                          |
| Income tax paid (net of refunds)                                                                                                         | (18,942.00)                          | (9,674.93)                           |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(12,027.81)</b>                   | <b>(10,806.15)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               | <b>(13.46)</b>                       | <b>(54.09)</b>                       |
| Purchase of property, plant and equipment                                                                                                | 6.36                                 | 7.63                                 |
| Rental income on investment property                                                                                                     | 0.54                                 | 8.19                                 |
| Proceeds from sale of property, plant and equipment                                                                                      | (31.90)                              | (71.63)                              |
| Purchase of intangible assets                                                                                                            | (58.53)                              | (120.81)                             |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>(13.46)</b>                       | <b>(54.09)</b>                       |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                                    | <b>1,415.14</b>                      | <b>5,003.00</b>                      |
| Proceeds from issue of equity shares (including securities premium)                                                                      | 30,500.00                            | 5,003.00                             |
| Amount received from debt issuances                                                                                                      | (3,000.00)                           | (1,651.11)                           |
| Repayment of debt securities                                                                                                             | 33,730.08                            | 39,367.06                            |
| Amount received from borrowings other than debt securities                                                                               | (32,548.00)                          | (22,608.71)                          |
| Repayment of borrowings other than debt securities                                                                                       | 2,000.00                             | 2,000.00                             |
| Amount received from subordinated liabilities                                                                                            | (3,000.00)                           | -                                    |
| Repayment of subordinated debts                                                                                                          | (41.45)                              | (41.39)                              |
| Payment of principal portion of lease liabilities                                                                                        | (4.77)                               | (8.95)                               |
| Payment of interest on lease liabilities                                                                                                 |                                      |                                      |
| <b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>                                                                          | <b>28,820.99</b>                     | <b>12,018.92</b>                     |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                                                                            | <b>9,357.65</b>                      | <b>1,312.96</b>                      |
| Cash and Cash Equivalents at the beginning of year                                                                                       | 2,485.42                             | 1,372.46                             |
| Cash and Cash Equivalents at the end of the year                                                                                         | 11,793.18                            | 2,485.42                             |

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in the AS 7 on 'Statement of Cash Flows'.

As per our report of even date  
For S. R. BAYLISS & CO. LLP

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

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Consolidated Balance Sheet as at March 31, 2022**  
(Currency : INR in lakhs)

| Particulars                                                                                 | Note No | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|
| <b>ASSETS</b>                                                                               |         |                      |                      |
| (1) Financial assets                                                                        |         |                      |                      |
| (a) Cash and cash equivalents                                                               | 3       | 9,564.31             | 14,474.42            |
| (b) Bank balance other than included in (a) above                                           | 4       | 2,533.65             | 4,164.82             |
| (c) Receivables                                                                             |         | -                    | -                    |
| (i) Trade receivables                                                                       | 5       | 28.35                | 15.88                |
| (d) Loans                                                                                   | 6       | 1,89,110.12          | 1,58,784.68          |
| (e) Investments                                                                             | 8       | -                    | -                    |
| (f) Other financial assets                                                                  | 7       | 3,193.40             | 2,017.53             |
|                                                                                             |         | <b>2,04,629.83</b>   | <b>1,79,457.33</b>   |
| (2) Non-financial assets                                                                    |         |                      |                      |
| (a) Current Tax Assets (Net)                                                                |         | 200.95               | 217.94               |
| (b) Deferred Tax Assets (Net)                                                               | 29      | 70.94                | -                    |
| (c) Investment Property                                                                     | 11      | 114.31               | 6.47                 |
| (d) Property, Plant and Equipment                                                           | 10      | 343.00               | 319.40               |
| (e) Right of use asset                                                                      | 10      | 28.67                | 45.71                |
| (f) Intangible assets                                                                       | 12      | 175.97               | 207.32               |
| (g) Goodwill                                                                                |         | 774.47               | 774.47               |
| (h) Other non-financial assets                                                              | 9       | 1,080.22             | 401.70               |
|                                                                                             |         | <b>3,778.92</b>      | <b>1,979.61</b>      |
| <b>Total assets</b>                                                                         |         | <b>2,07,408.76</b>   | <b>1,81,436.94</b>   |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                      |                      |
| <b>LIABILITIES</b>                                                                          |         |                      |                      |
| (1) Financial liabilities                                                                   |         |                      |                      |
| (a) Derivative financial instruments                                                        |         | 58.68                | -                    |
| (b) Payables                                                                                |         |                      |                      |
| (i) Trade payables and 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 |         | 7.09                 | 23.52                |
| (c) Debt securities                                                                         | 13      | 23,807.91            | 43,210.76            |
| (d) Borrowings (other than debt securities)                                                 | 14      | 1,32,189.07          | 92,148.68            |
| (e) Subordinated Liabilities                                                                | 15      | 6,001.45             | 5,586.79             |
| (f) Other financial liabilities                                                             | 16      | 3,108.00             | 1,583.67             |
|                                                                                             |         | <b>1,65,119.20</b>   | <b>1,44,953.43</b>   |
| (2) Non-financial liabilities                                                               |         |                      |                      |
| (a) Current tax liabilities (Net)                                                           |         |                      | 71.90                |
| (b) Provisions                                                                              | 27      | 345.34               | 308.22               |
| (c) Deferred tax liabilities (Net)                                                          | 28      | 185.35               | 116.67               |
| (d) Other non-financial liabilities                                                         | 18      | 157.27               | 148.76               |
|                                                                                             |         | <b>667.96</b>        | <b>640.55</b>        |
| <b>EQUITY</b>                                                                               |         |                      |                      |
| (a) Equity share capital                                                                    | 19      | 5,285.91             | 5,167.49             |
| (b) Other equity                                                                            | 20      | 35,780.90            | 80,169.33            |
| (c) Non-Controlling Interest                                                                |         | 574.79               | 498.54               |
|                                                                                             |         | <b>41,621.60</b>     | <b>85,836.36</b>     |
| <b>Total liabilities and equity</b>                                                         |         | <b>2,07,408.76</b>   | <b>1,81,436.94</b>   |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2022**  
(Currency : INR in lakhs)

| Particulars                                                                           | Note No | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------------------------------------------------------------|---------|---------------------------|---------------------------|
| <b>Revenue From operations</b>                                                        |         |                           |                           |
| (i) Interest income                                                                   | 21      | 26,301.60                 | 23,422.50                 |
| (ii) Fees and commission income                                                       | 22      | 660.15                    | 329.07                    |
| <b>(i) Total revenue from operations</b>                                              |         | <b>26,961.75</b>          | <b>23,751.57</b>          |
| (ii) Other income                                                                     | 23      | 207.95                    | 57.33                     |
| <b>(iii) Total income (i + ii)</b>                                                    |         | <b>27,169.70</b>          | <b>23,808.90</b>          |
| <b>Expenses:</b>                                                                      |         |                           |                           |
| (i) Finance costs                                                                     | 24.1    | 13,617.93                 | 12,865.82                 |
| (ii) Net loss on fair value changes                                                   | 24.2    | 3.35                      | -                         |
| (iii) Impairment on financial instruments                                             | 25      | 513.01                    | 781.57                    |
| (iv) Employee benefits expenses                                                       | 26      | 4,650.46                  | 3,438.10                  |
| (v) Depreciation, amortization and impairment                                         | 27      | 190.23                    | 193.18                    |
| (vi) Others expenses                                                                  | 28      | 1,356.29                  | 1,219.14                  |
| <b>(iv) Total expenses</b>                                                            |         | <b>20,331.27</b>          | <b>18,497.81</b>          |
| <b>(v) Profit before tax (iii - iv)</b>                                               |         | <b>6,838.43</b>           | <b>5,311.09</b>           |
| <b>(vi) Tax Expense:</b>                                                              |         |                           |                           |
| (1) Current Tax                                                                       | 29      | 1,740.28                  | 1,044.15                  |
| (2) Deferred Tax                                                                      | 29      | (24.92)                   | 411.32                    |
| (3) Adjustment of tax relating to earlier periods                                     | 29      | 10.06                     | 65.46                     |
|                                                                                       |         | <b>1,725.42</b>           | <b>1,520.93</b>           |
| <b>(vii) Profit for the period (v-vi)</b>                                             |         | <b>5,113.01</b>           | <b>3,790.16</b>           |
| <b>(viii) Other comprehensive income</b>                                              |         |                           |                           |
| (A) Items that will not be reclassified to profit or loss (specify items and amounts) |         |                           |                           |
| (a) Remeasurements of the defined benefit plans                                       | 30      | 12.80                     | 16.20                     |
| Income tax relating to items that will not be reclassified to profit or loss          |         | (3.22)                    | (4.08)                    |
| Other comprehensive income / (loss)                                                   |         | 9.58                      | 12.12                     |
| <b>(ix) Total comprehensive income for the period (vii + viii)</b>                    |         | <b>5,122.59</b>           | <b>3,802.78</b>           |
| <b>Attributable to:</b>                                                               |         |                           |                           |
| Owners of the Company                                                                 |         | 5,047.32                  | 3,725.04                  |
| Non-controlling interest                                                              |         | 75.24                     | 77.74                     |
| <b>(X) Earnings per share (equity share, par value of Rs.10 each)</b>                 |         |                           |                           |
| Basic                                                                                 | 31      | 9.89                      | 7.54                      |
| Diluted                                                                               | 31      | 9.89                      | 7.53                      |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements  
As per our report of even date

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Consolidated Cash Flow statement for the year ended March 31, 2022

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| Particulars                                                                                                                       | For the Year ended<br>March 31, 2022 | For the Year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                        |                                      |                                      |
| Profit before tax                                                                                                                 | 6,838.43                             | 5,311.09                             |
| Adjustments for:                                                                                                                  |                                      |                                      |
| Depreciation, amortisation and impairment                                                                                         | 190.28                               | 193.18                               |
| Interest Income                                                                                                                   | (26,301.60)                          | (23,422.69)                          |
| Interest expenses                                                                                                                 | 13,517.93                            | 12,895.83                            |
| Impairment on financial instrument                                                                                                | 518.01                               | 781.57                               |
| Net loss on fair value changes                                                                                                    | 3.35                                 | -                                    |
| Lease equalisation                                                                                                                | -                                    | -                                    |
| Share based payment expense                                                                                                       | (6.03)                               | 13.09                                |
| Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)                                             | -                                    | -                                    |
| Net gain/(loss) on financial instrument at amortised carrying                                                                     | -                                    | -                                    |
| Provision for expenses                                                                                                            | 5.80                                 | 4.83                                 |
| Employee benefit expenses                                                                                                         | 96.55                                | 106.26                               |
| Rental Income on investment property                                                                                              | (7.63)                               | (6.36)                               |
| (Profit)/ Loss on sale of property, plant and equipment                                                                           | (9.07)                               | (0.14)                               |
| (Profit)/ Loss on sale of immovable Property                                                                                      | 8.20                                 | -                                    |
| Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid | (5,045.09)                           | (4,153.14)                           |
| Adjustments for changes in Working Capital:                                                                                       |                                      |                                      |
| Decrease / (Increase) in trade receivable                                                                                         | (12.47)                              | 4.99                                 |
| Decrease / (Increase) in loans                                                                                                    | (38,117.26)                          | (28,317.25)                          |
| Decrease / (Increase) in bank balances other than cash and cash equivalents                                                       | 1,631.18                             | (389.89)                             |
| Decrease / (Increase) in other financial assets                                                                                   | (5,403.68)                           | (292.59)                             |
| Decrease / (Increase) in other non-financial assets                                                                               | (678.52)                             | (77.57)                              |
| (Decrease) / increase in trade payables                                                                                           | (16.43)                              | 5.57                                 |
| (Decrease) / increase in other financial liabilities                                                                              | (458.46)                             | (125.83)                             |
| (Decrease) / increase in provisions                                                                                               | (30.08)                              | (17.77)                              |
| (Decrease) / increase in other non-financial liabilities                                                                          | 8.51                                 | (0.60)                               |
| Interest received                                                                                                                 | 31,293.07                            | 20,192.84                            |
| Interest paid                                                                                                                     | (13,450.44)                          | (10,980.08)                          |
|                                                                                                                                   | (18,279.88)                          | (24,111.21)                          |
| Income tax paid (net of refunds)                                                                                                  | 11,805.25                            | (1,197.77)                           |
| Derivative financial instruments                                                                                                  | -                                    | -                                    |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                   | <b>(32,084.92)</b>                   | <b>(25,246.86)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                        |                                      |                                      |
| Purchase of property, plant and equipment                                                                                         | (114.86)                             | (45.96)                              |
| Purchase of investment property                                                                                                   | (224.11)                             | -                                    |
| Rental Income on investment property                                                                                              | 7.63                                 | 6.36                                 |
| Proceeds from sale of property, plant and equipment                                                                               | 0.08                                 | 0.54                                 |
| Proceeds from sale of investment property                                                                                         | 110.00                               | -                                    |
| Purchase of intangible assets                                                                                                     | (37.27)                              | (47.95)                              |
| WU 4d)                                                                                                                            | -                                    | -                                    |
| Purchase of investments measured at cost                                                                                          | -                                    | -                                    |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                   | <b>(258.54)</b>                      | <b>(87.01)</b>                       |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                             |                                      |                                      |
| Proceeds from issue of equity shares (including securities premiums)                                                              | 714.39                               | 1,015.18                             |
| Amount received from debt securities                                                                                              | 8,000.00                             | 39,500.00                            |
| Repayment of debt securities                                                                                                      | (26,783.33)                          | (3,300.00)                           |
| Amount received from borrowings other than debt securities                                                                        | 77,180.00                            | 88,025.08                            |
| Repayment of borrowings other than debt securities                                                                                | (31,541.19)                          | (38,301.19)                          |
| Amount received from subordinated liabilities                                                                                     | -                                    | 2,500.00                             |
| Repayment of subordinated debt                                                                                                    | -                                    | (3,000.00)                           |
| Payment of principal portion of lease liabilities                                                                                 | (31.05)                              | (51.94)                              |
| Payment of interest on lease liabilities                                                                                          | (4.75)                               | (6.25)                               |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                              | <b>27,515.03</b>                     | <b>36,380.78</b>                     |
| <b>Net Increase / (Decrease) in Cash and Cash equivalents</b>                                                                     | <b>(4,868.64)</b>                    | <b>11,244.79</b>                     |
| Cash and Cash Equivalents at the beginning of Year                                                                                | 14,474.42                            | 3,229.63                             |
| Cash and Cash Equivalents at the end of the Year                                                                                  | 9,664.31                             | 14,474.42                            |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**  
**Balance Sheet as at March 31, 2022**  
(Currency : INR in lakhs)

| Particulars                                                                                 | Note No | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------------------------------------------------------------------|---------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                               |         |                         |                         |
| (1) Financial assets                                                                        |         |                         |                         |
| (a) Cash and cash equivalents                                                               | 3       | 3,377.21                | 11,793.28               |
| (b) Bank balance other than included in (a) above                                           | 4       | 2,208.65                | 3,964.82                |
| (c) Receivables                                                                             |         |                         |                         |
| (i) Trade receivables                                                                       | 5       | -                       | -                       |
| (d) Loans                                                                                   | 6       | 1,56,325.40             | 1,40,161.15             |
| (e) Investments                                                                             | 8       | 6,252.92                | 4,515.10                |
| (f) Other financial assets                                                                  | 7       | 1,800.86                | 1,018.54                |
|                                                                                             |         | <b>1,69,965.14</b>      | <b>1,61,462.89</b>      |
| (2) Non-financial assets                                                                    |         |                         |                         |
| (a) Current Tax Assets (Net)                                                                |         | 183.04                  | 217.94                  |
| (b) Deferred Tax Assets (Net)                                                               | 29      | 70.34                   | -                       |
| (c) Investment Property                                                                     | 11      | 114.31                  | 6.47                    |
| (d) Property, Plant and Equipment                                                           | 10      | 260.11                  | 240.52                  |
| (e) Right of use asset                                                                      | 10      | 10.75                   | 24.77                   |
| (f) Intangible assets                                                                       | 12      | 154.42                  | 170.57                  |
| (g) Other non-financial assets                                                              | 9       | 1,067.42                | 382.01                  |
|                                                                                             |         | <b>1,860.39</b>         | <b>1,042.28</b>         |
| <b>Total assets</b>                                                                         |         | <b>1,71,825.53</b>      | <b>1,62,505.17</b>      |
| <b>LIABILITIES AND EQUITY</b>                                                               |         |                         |                         |
| <b>LIABILITIES</b>                                                                          |         |                         |                         |
| (1) Financial liabilities                                                                   |         |                         |                         |
| (a) Payables                                                                                |         |                         |                         |
| (i) Trade payables and 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                                                                         | 13      | 15,186.47               | 33,687.94               |
| (c) Borrowings (other than debt securities)                                                 | 14      | 1,09,462.84             | 85,755.89               |
| (d) Subordinated Liabilities                                                                | 15      | 6,003.45                | 5,986.79                |
| (e) Other financial liabilities                                                             | 16      | 2,030.13                | 2,670.12                |
|                                                                                             |         | <b>1,32,682.89</b>      | <b>1,28,100.74</b>      |
| (2) Non-financial liabilities                                                               |         |                         |                         |
| (a) Provisions                                                                              | 17      | 306.37                  | 275.54                  |
| (b) Deferred tax liabilities (Net)                                                          | 29      | -                       | 27.12                   |
| (c) Other non-financial liabilities                                                         | 18      | 99.50                   | 112.08                  |
|                                                                                             |         | <b>405.87</b>           | <b>414.74</b>           |
| <b>EQUITY</b>                                                                               |         |                         |                         |
| (a) Equity share capital                                                                    | 19      | 5,265.91                | 5,167.40                |
| (b) Other equity                                                                            | 20      | 33,470.86               | 28,822.20               |
|                                                                                             |         | <b>38,736.77</b>        | <b>33,989.60</b>        |
| <b>Total liabilities and equity</b>                                                         |         | <b>1,71,825.53</b>      | <b>1,62,505.17</b>      |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements

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**IKF Finance Limited**

**Statement of Profit and Loss for the year ended March 31, 2022**

(Currency : INR in lakhs)

| Particulars                                                                           | Note No | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------------------------------------------------------------|---------|---------------------------|---------------------------|
| <b>Revenue From operations</b>                                                        |         |                           |                           |
| (i) Interest income                                                                   | 21      | 21,859.30                 | 20,295.71                 |
| (ii) Fees and commission income                                                       | 22      | 160.21                    | 110.92                    |
| <b>(i) Total revenue from operations</b>                                              |         | <b>22,059.51</b>          | <b>20,406.63</b>          |
| (ii) Other income                                                                     | 23      | 63.31                     | 16.29                     |
| <b>(iii) Total Income (i + ii)</b>                                                    |         | <b>22,122.82</b>          | <b>20,422.92</b>          |
| <b>Expenses</b>                                                                       |         |                           |                           |
| (i) Finance costs                                                                     | 24      | 11,787.65                 | 11,609.00                 |
| (ii) Impairment on financial instruments                                              | 25      | 511.78                    | 647.15                    |
| (iii) Employee benefits expenses                                                      | 26      | 3,248.03                  | 2,621.34                  |
| (iv) Depreciation, amortization and impairment                                        | 27      | 128.96                    | 144.14                    |
| (v) Others expenses                                                                   | 28      | 1,019.11                  | 981.02                    |
| <b>(IV) Total expenses</b>                                                            |         | <b>16,695.53</b>          | <b>16,002.65</b>          |
| <b>(V) Profit before tax (iii - IV)</b>                                               |         | <b>5,427.29</b>           | <b>4,420.27</b>           |
| <b>(VI) Tax Expense:</b>                                                              |         |                           |                           |
| (1) Current Tax                                                                       | 29      | 1,487.04                  | 795.96                    |
| (2) Deferred Tax                                                                      | 29      | (100.25)                  | 168.34                    |
| (3) Adjustment of tax relating to earlier periods                                     | 29      | 10.06                     | 65.46                     |
|                                                                                       |         | <b>1,396.85</b>           | <b>1,129.76</b>           |
| <b>(VII) Profit for the period (V-VI)</b>                                             |         | <b>4,030.44</b>           | <b>3,190.51</b>           |
| <b>(VIII) Other comprehensive income</b>                                              |         |                           |                           |
| (A) Items that will not be reclassified to profit or loss (specify items and amounts) |         |                           |                           |
| (a) Remeasurements of the defined benefit plans                                       | 30      | 11.07                     | 13.44                     |
| Income tax relating to items that will not be reclassified to profit or loss          |         | (2.79)                    | (3.38)                    |
| Other comprehensive income / (loss)                                                   |         | <b>8.28</b>               | <b>10.06</b>              |
| <b>(IX) Total comprehensive income for the period (VII + VIII)</b>                    |         | <b>4,038.72</b>           | <b>3,200.57</b>           |
| <b>(X) Earnings per share (equity share, par value of Rs.10 each)</b>                 |         |                           |                           |
| Basic                                                                                 | 31      | 7.80                      | 6.35                      |
| Diluted                                                                               | 31      | 7.80                      | 6.34                      |

Significant accounting policies and key accounting estimates and judgments  
The accompanying notes form an integral part of the standalone financial statements  
As per our report of even date

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**IKF Finance Limited**

Cash Flow statement for the year ended March 31, 2022  
(Currency : INR in lakhs)

| Particulars                                                                                                                              | For the Year ended<br>March 31, 2022 | For the Year ended<br>March 31, 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Profit before tax                                                                                                                        | 5,427.28                             | 4,420.27                             |
| Adjustments for:                                                                                                                         |                                      |                                      |
| Depreciation, amortisation and impairment                                                                                                | 128.96                               | 144.14                               |
| Interest income                                                                                                                          | (21,899.30)                          | (20,295.71)                          |
| Interest expenses                                                                                                                        | 11,787.65                            | 11,609.00                            |
| Impairment on financial instrument                                                                                                       | 511.78                               | 647.13                               |
| Share based payment expense                                                                                                              | (6.03)                               | 13.09                                |
| Provision for expenses                                                                                                                   | 6.60                                 | 4.83                                 |
| Employee benefit expenses                                                                                                                | 81.57                                | 98.16                                |
| Rental income on investment property                                                                                                     | (7.63)                               | (6.36)                               |
| (Profit)/ Loss on sale of property, plant and equipment                                                                                  | (0.07)                               | (0.14)                               |
| (Profit)/ Loss on sale of immovable Property                                                                                             | 6.10                                 | -                                    |
| <b>Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid</b> | <b>(3,963.08)</b>                    | <b>(3,365.47)</b>                    |
| Adjustments for changes in Working Capital:                                                                                              |                                      |                                      |
| (Decrease) / (increase) in trade receivable                                                                                              | 26.21                                | 20.87                                |
| (Decrease) / (increase) in loans                                                                                                         | (24,454.76)                          | (21,661.13)                          |
| (Decrease) / (increase) in bank balances other than cash and cash equivalents                                                            | 1,756.18                             | (189.89)                             |
| (Decrease) / (increase) in other financial assets                                                                                        | 126.85                               | (330.53)                             |
| (Decrease) / (increase) in other non-financial assets                                                                                    | (685.42)                             | (53.83)                              |
| (Decrease) / (increase) in other financial liabilities                                                                                   | (631.52)                             | (32.01)                              |
| (Decrease) / (increase) in provisions                                                                                                    | (39.67)                              | (17.76)                              |
| (Decrease) / (increase) in other non-financial liabilities                                                                               | (12.59)                              | (6.61)                               |
| Interest received                                                                                                                        | 22,327.41                            | 17,250.35                            |
| Interest paid                                                                                                                            | (11,836.88)                          | (10,176.00)                          |
|                                                                                                                                          | <b>(17,887.28)</b>                   | <b>(18,562.00)</b>                   |
| Income tax paid (net of refunds)                                                                                                         | (1,462.20)                           | (922.80)                             |
| Deferred tax adjustment                                                                                                                  | 0.00                                 | 0.00                                 |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                                                          | <b>(18,849.48)</b>                   | <b>(19,484.86)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                               |                                      |                                      |
| Purchase of property, plant and equipment                                                                                                | (86.52)                              | (33.46)                              |
| Purchase of investment property                                                                                                          | (224.11)                             | -                                    |
| Rental income on investment property                                                                                                     | 7.63                                 | 6.36                                 |
| Proceeds from sale of property, plant and equipment                                                                                      | 0.08                                 | 0.54                                 |
| Proceeds from sale of investment property                                                                                                | 110.00                               | -                                    |
| Purchase of intangible assets                                                                                                            | (27.53)                              | (31.99)                              |
| Purchase of investments measured at cost                                                                                                 | (1,727.82)                           | -                                    |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                                                          | <b>(1,948.23)</b>                    | <b>(58.53)</b>                       |
| <b>CASH FROM FINANCING ACTIVITIES</b>                                                                                                    |                                      |                                      |
| Proceeds from issue of equity shares (including securities premium)                                                                      | 714.39                               | 1,015.18                             |
| Amount received from debt securities                                                                                                     | 8,000.00                             | 30,500.00                            |
| Repayment of debt securities                                                                                                             | (25,950.00)                          | (3,300.00)                           |
| Amount received from borrowings other than debt securities                                                                               | 56,500.00                            | 33,730.08                            |
| Repayment of borrowings other than debt securities                                                                                       | (26,861.44)                          | (32,548.05)                          |
| Amount received from subordinated liabilities                                                                                            | -                                    | 2,500.00                             |
| Repayment of subordinated debt                                                                                                           | -                                    | (3,000.00)                           |
| Payment of principal portion of lease liabilities                                                                                        | (19.13)                              | (41.45)                              |
| Payment of interest on lease liabilities                                                                                                 | (2.12)                               | (4.77)                               |
| <b>NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES</b>                                                                     | <b>12,381.70</b>                     | <b>28,850.99</b>                     |
| <b>Net increase / (Decrease) in Cash and Cash Equivalents</b>                                                                            | <b>(8,416.07)</b>                    | <b>9,307.66</b>                      |
| Cash and Cash Equivalents at the beginning of Year                                                                                       | 11,793.28                            | 2,485.62                             |
| Cash and Cash Equivalents at the end of the Year                                                                                         | 3,377.21                             | 11,793.28                            |

The above Cash Flow Statement has been prepared under the "indirect method" as set out in Ind AS 7 on "Statement of Cash Flows"

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

## ANNEXURE V (PART B)

### UNAUDITED FINANCIAL STATEMENT WITH LIMITED REVIEW REPORT



Limited review report on unaudited financial results of the Company for quarter and nine month ended December 31, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors  
IKF Finance Limited

1. We have reviewed the accompanying Statement of unaudited financial Results of IKF Finance Limited ("the Company") for the quarter and nine month ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel responsible for financial and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S G C O & Co. LLP  
Chartered Accountants  
FRN. 112081WW/100184

SURESH  
PRASAD  
MURARKA  
Suresh Murarka  
Partner  
Mem. No.: 044739  
UDIN: 23044739BGUNL4843

Place: Mumbai  
Date: February 10, 2023

|                                                                                                                      |                                                                                             |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 4A, Kaledonia,<br>2 <sup>nd</sup> Floor, Sahar Road,<br>Near Andheri Station,<br>Andheri (East),<br>Mumbai - 400 069 | Tel: +91 22 6825 6383<br>Fax: +91 22 6825 6384<br>E-mail: info@sgco.co.in<br>www.sgco.co.in |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|

Mumbai • Delhi

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

IKF Finance Limited  
Regd Office: 440-1-546, Corporate Center, M.G. Road, Vijayawada - 520 101  
CIN: U63024AP2019PLC012736, Tel: 91-866-2478644, Fax: 91-866-2485755,  
Website: www.ikffinance.com



Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022

| Particulars                                                                       | Quarter Ended                    |                                   |                                  | Nine Months Ended                |                                  |                             |
|-----------------------------------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
|                                                                                   | December 31, 2022<br>(Unaudited) | September 30, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | December 31, 2022<br>(Unaudited) | December 31, 2021<br>(Unaudited) | March 31, 2022<br>(Audited) |
| <b>1 Revenue from operations</b>                                                  |                                  |                                   |                                  |                                  |                                  |                             |
| (a) Interest income                                                               | 7552.58                          | 6808.76                           | 5462.72                          | 19,865.05                        | 15,822.05                        | 21,899.30                   |
| (b) Fees and commission income                                                    | 28.12                            | 67.08                             | 33.75                            | 122.06                           | 79.94                            | 180.21                      |
| <b>Total revenue from operations</b>                                              | <b>7580.70</b>                   | <b>6875.84</b>                    | <b>5496.47</b>                   | <b>19,987.11</b>                 | <b>15,902.00</b>                 | <b>22,079.51</b>            |
| 2 Other income                                                                    | 3.46                             | 3.11                              | 12.78                            | 8.73                             | 56.93                            | 83.31                       |
| <b>3 Total Income (1 + 2)</b>                                                     | <b>7584.16</b>                   | <b>6878.95</b>                    | <b>5509.25</b>                   | <b>20,000.14</b>                 | <b>15,958.93</b>                 | <b>22,162.82</b>            |
| <b>4 Expenses</b>                                                                 |                                  |                                   |                                  |                                  |                                  |                             |
| (a) Finance costs                                                                 | 4246.35                          | 3336.32                           | 3035.91                          | 13,664.30                        | 8,855.05                         | 11,797.65                   |
| (b) Impairment on financial instruments                                           | 279.66                           | 276.09                            | 49.87                            | 767.23                           | 559.28                           | 513.78                      |
| (c) Employee benefits expense                                                     | 11,08.59                         | 1012.90                           | 182.55                           | 2,976.75                         | 2,266.15                         | 3,248.03                    |
| (d) Depreciation, amortization and impairment                                     | 64.12                            | 65.54                             | 15.47                            | 193.08                           | 97.48                            | 129.58                      |
| (e) Others expense                                                                | 168.90                           | 328.95                            | 259.85                           | 988.15                           | 691.05                           | 1,019.11                    |
| <b>Total expenses</b>                                                             | <b>6,097.62</b>                  | <b>5,023.80</b>                   | <b>4,343.65</b>                  | <b>18,669.29</b>                 | <b>12,469.96</b>                 | <b>16,698.15</b>            |
| <b>5 Profit before tax (3 - 4)</b>                                                | <b>1,486.54</b>                  | <b>1,855.15</b>                   | <b>1,165.60</b>                  | <b>1,330.85</b>                  | <b>3,488.97</b>                  | <b>5,464.67</b>             |
| <b>6 Tax expenses</b>                                                             |                                  |                                   |                                  |                                  |                                  |                             |
| (a) Current tax                                                                   | 284.56                           | 378.50                            | 273.70                           | 1,081.70                         | 716.88                           | 1,487.04                    |
| (b) Deferred tax                                                                  | 96.12                            | -30.06                            | 47.95                            | 56.18                            | 167.71                           | -100.25                     |
| (c) Adjustment of tax relating to earlier periods                                 | 0.46                             | 0.00                              | 0.00                             | 0.64                             | 0.00                             | 10.00                       |
| <b>7 Net Profit for the period (5 - 6)</b>                                        | <b>1,105.40</b>                  | <b>1,446.59</b>                   | <b>844.95</b>                    | <b>2,205.67</b>                  | <b>2,604.38</b>                  | <b>3,887.38</b>             |
| <b>8 Other comprehensive income</b>                                               |                                  |                                   |                                  |                                  |                                  |                             |
| (a) Items that will not be reclassified to profit or loss                         |                                  |                                   |                                  |                                  |                                  |                             |
| (i) Remeasurement of the defined benefit plans                                    | 1.60                             | -9.92                             | 5.04                             | 8.24                             | 9.73                             | 11.07                       |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | -0.42                            | 2.50                              | -1.27                            | -1.57                            | -2.64                            | -3.79                       |
| <b>9 Total Comprehensive Income (7 + 8)</b>                                       | <b>1,106.58</b>                  | <b>1,439.17</b>                   | <b>848.72</b>                    | <b>2,192.34</b>                  | <b>2,591.47</b>                  | <b>3,894.66</b>             |
| <b>10 Earnings per Share (Rs) (Face Value of Rs.10/- each)</b>                    |                                  |                                   |                                  |                                  |                                  |                             |
| - Basic (Net Attributable)                                                        | 2.11                             | 1.91                              | 1.79                             | 6.22                             | 6.96                             | 7.88                        |
| - Diluted (Net Attributable)                                                      | 2.11                             | 1.91                              | 1.79                             | 6.22                             | 6.96                             | 7.88                        |

Notes:

- IKF Finance Limited (the "Company") has prepared an audited financial results (the "Statement") for the Quarter ended and the Nine Months Ended December 31, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations 2015") and the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- The above financial results are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on February 10, 2023.
- The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing with "Operating Segments".
- Details of loans transferred / acquired during the period ended December 31, 2022 under RBI Master Direction on Transfer of Loan Exposures dated September 26, 2021 are given below:
 

| Particulars                                                     | Transferred    | Acquired       |
|-----------------------------------------------------------------|----------------|----------------|
| Aggregate amount of loans transferred / acquired (Rs. in lakhs) | 33061.65       | 3756.81        |
| Weighted average maturity (in months)                           | 9.12           | 22.26          |
| Weighted average holding period (in months)                     | 9.12           | 7.93           |
| Retention of beneficial economic interest by the originator     | 10.00%         | 11.90%         |
| Tangible security coverage                                      | 100.00%        | 100.00%        |
| Rating-wise distribution of rated loans                         | Not Applicable | Not Applicable |

(i) The Company has not transferred any non-performing assets (NPAs).

(ii) The Company has not transferred any Special Mention Account (SMA) and loans not in default.

(iii) The Company has not acquired any loans not in default through assignment.

(iv) The Company has not acquired any stressed loans.

- All Secured NCDs issued by the company are secured by pari-passu charge and / or exclusive charge on receivables under loan contracts, owned assets and bank debts to the minimum extent of 100 % or such higher security as per the respective termsheets of outstanding Secured NCDs.

- The compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in Appendix 1.

- 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 / 41 DOR, SFR, REC 11 / 21.04.048 /

| 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 (B) |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Personal Loans       | -                                                                                                                                                  | -                                                                 | -                                              | -                                                        | -                                                                                                                                          |
| Corporate Borrowers* | -                                                                                                                                                  | -                                                                 | -                                              | -                                                        | -                                                                                                                                          |
| Of which MSMEs       | -                                                                                                                                                  | -                                                                 | -                                              | -                                                        | -                                                                                                                                          |
| Others               | 82.81                                                                                                                                              | -                                                                 | -                                              | 0.32                                                     | 82.50                                                                                                                                      |
| Total                | 82.81                                                                                                                                              | -                                                                 | -                                              | 0.32                                                     | 82.50                                                                                                                                      |

- The PCR shown below is arrived by dividing the SLI provision on actual 90+ DPD loans as on reporting date with NPA considered on daily DPD basis. If considered the actual 90+ DPD loans as on reporting date, the PCR would have been 38.68%.

- Previous period figures have been regrouped/ reclassified wherever required.

VASUMAT  
HI DEVI  
KOGANTI

digitally signed  
by VASUMAT  
HI DEVI  
KOGANTI  
DN: cn=VASUMAT  
HI DEVI  
KOGANTI, o=IKF  
FINANCE, email=vasumat@ikffinance.com

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Appendix 1

Analytical Ratios and other disclosures based on Standalone financial results:

| Particulars                                                                                                                                                                                                                                                                     | Quarter Ended                      |                                    |                                    | Nine Months Ended                  |                                    | Year Ended                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                                                                                                                                                                                                                                                 | December 31, 2022<br>(Unaudited)   | September 30, 2022<br>(Unaudited)  | December 31, 2021<br>(Unaudited)   | December 31, 2022<br>(Unaudited)   | December 31, 2021<br>(Unaudited)   | March 31, 2022<br>(Audited)        |
| (a) Debt equity ratio (no. of times) (refer note ii)                                                                                                                                                                                                                            | 4.18                               | 4.07                               | 3.59                               | 4.18                               | 3.59                               | 4.37                               |
| (b) Debt service coverage ratio                                                                                                                                                                                                                                                 | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (c) Interest service coverage ratio                                                                                                                                                                                                                                             | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (d) Outstanding redeemable preference shares (quantity and value)                                                                                                                                                                                                               | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| (e) Capital redemption reserve                                                                                                                                                                                                                                                  | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (f) Debenture redemption reserve                                                                                                                                                                                                                                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (g) Net worth (refer note iii)                                                                                                                                                                                                                                                  | 45,948.25                          | 40,952.75                          | 36,559.67                          | 45,948.25                          | 36,559.67                          | 38,736.77                          |
| (h) Net profit (loss) after tax                                                                                                                                                                                                                                                 | 1,115.78                           | 1,050.62                           | 925.92                             | 3,292.33                           | 2,545.33                           | 4,030.44                           |
| (i) Earnings per share (face value of Rs. 33/- each) (not annualized for the interim period)<br>- Basic (Rupees)<br>- Diluted (Rupees)                                                                                                                                          | 3.11<br>3.11                       | 1.92<br>1.92                       | 1.79<br>1.79                       | 6.22<br>6.22                       | 4.88<br>4.88                       | 7.80<br>7.80                       |
| (j) Current ratio                                                                                                                                                                                                                                                               | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (k) Long term debt to working capital                                                                                                                                                                                                                                           | 6.53                               | 6.79                               | 6.92                               | 6.53                               | 6.92                               | 6.00                               |
| (l) Bad debts to Account receivable ratio                                                                                                                                                                                                                                       | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (m) Current liability ratio                                                                                                                                                                                                                                                     | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (n) Total debts to total assets (refer note iv)                                                                                                                                                                                                                                 | 79.60%                             | 79.20%                             | 77.09%                             | 79.60%                             | 77.09%                             | 76.04%                             |
| (o) Debtors turnover                                                                                                                                                                                                                                                            | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (p) Inventory turnover                                                                                                                                                                                                                                                          | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (q) Operating margin (%)                                                                                                                                                                                                                                                        | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                | N/A                                |
| (r) Net profit margin (%) (refer note v)                                                                                                                                                                                                                                        | 14.89%                             | 15.89%                             | 17.19%                             | 16.47%                             | 16.12%                             | 18.22%                             |
| (s) Sector specific equivalent ratios, as applicable:<br>i) Capital Adequacy Ratio (%) (refer note vi)<br>ii) Gross Stage-3 Assets % (refer note vii)<br>iii) Net Stage-3 Assets % (refer note viii)<br>iv) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix) | 25.89%<br>2.87%<br>3.12%<br>26.64% | 22.04%<br>2.52%<br>3.70%<br>33.62% | 26.49%<br>2.31%<br>2.47%<br>26.03% | 25.89%<br>2.87%<br>3.12%<br>26.48% | 24.89%<br>2.31%<br>2.47%<br>26.03% | 26.12%<br>2.72%<br>3.82%<br>24.70% |

Notes:

- Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the Reserve Bank of India
- Debt equity ratio: [Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital + Other equity]
- Net worth = [Equity share capital + Other equity]
- Total debts to total assets: [Debt Securities + Borrowings (Other than Debt Securities)+ Deposits+ Subordinated Liabilities]/Total assets
- Net profit margin = Profit after tax/Total income
- Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets/Gross loan assets
- Net Stage-3 Assets % (as per Ind AS) = [Gross Stage-3 Assets less impairment loss allowance for Stage-3 Assets]/[Gross loan assets less impairment loss allowance for Stage-3 Assets]
- Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of impairment loss allowance for Stage-3 Assets/Gross Stage-3 Assets

For and on behalf of the Board of Directors

Vasanthi Devi Koganti

Vijayakumar  
Managing Director

Place : Hyderabad  
Date: February 10, 2023

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| IKF Finance Limited                                                            |    |                                   |                                   |
|--------------------------------------------------------------------------------|----|-----------------------------------|-----------------------------------|
| Statement of Unaudited Financial Results for the Period Ended 31 December 2022 |    |                                   |                                   |
| (Currency : INR in lakhs)                                                      |    |                                   |                                   |
| Particulars                                                                    |    | Unaudited<br>as on<br>31 Dec 2022 | Unaudited<br>as on<br>31 Dec 2021 |
| <b>Assets</b>                                                                  |    |                                   |                                   |
| <b>(1) Financial assets</b>                                                    |    |                                   |                                   |
| (a) Cash and cash equivalents                                                  | 1  | 7,558.02                          | 10,164.48                         |
| Bank balance other than included in (a)                                        |    |                                   |                                   |
| (b) above                                                                      | 2  | 5,220.32                          | 2,832.84                          |
| (c) Receivables                                                                | 3  |                                   |                                   |
| (i) Trade receivables                                                          |    | -                                 | 78.81                             |
| (d) Loans                                                                      | 4  | 1,94,499.90                       | 1,47,773.45                       |
| (e) Other financial assets                                                     | 5  | 1,930.24                          | 1,060.62                          |
| (f) Investments                                                                | 6  | 28,675.05                         | 6,330.72                          |
|                                                                                |    | <b>2,37,883.53</b>                | <b>1,68,240.92</b>                |
| <b>(2) Non-financial assets</b>                                                |    |                                   |                                   |
| (a) Current tax assets (net)                                                   |    | 437.87                            | 373.42                            |
| (b) Deferred tax assets (net)                                                  |    | 15.59                             | -                                 |
| (c) Investment Property                                                        | 9  | 72.19                             | 128.33                            |
| (d) Property, plant and equipment                                              | 8  | 249.29                            | 256.40                            |
| (e) Right of use asset                                                         | 8  | 289.32                            | 13.29                             |
| (f) Intangible assets                                                          | 10 | 158.99                            | 160.87                            |
| (g) Other non-financial assets                                                 | 7  | 2,239.92                          | 986.90                            |
|                                                                                |    | <b>3,463.17</b>                   | <b>1,919.02</b>                   |
| <b>Total Assets</b>                                                            |    | <b>2,41,346.70</b>                | <b>1,70,159.94</b>                |
| <b>Liabilities and Equity</b>                                                  |    |                                   |                                   |
| <b>Liabilities</b>                                                             |    |                                   |                                   |
| <b>(1) Financial liabilities</b>                                               |    |                                   |                                   |
| (a) Debt securities                                                            | 11 | 13,658.94                         | 32,506.19                         |
| (b) Borrowings (other than debt securities)                                    | 12 | 1,60,084.89                       | 92,674.92                         |
| (c) Subordinated liabilities                                                   | 13 | 18,356.50                         | 5,998.14                          |
| (d) Other financial liabilities                                                | 14 | 2,816.94                          | 1,856.35                          |
|                                                                                |    | <b>1,94,917.26</b>                | <b>1,33,035.60</b>                |
| <b>(2) Non-financial liabilities</b>                                           |    |                                   |                                   |
| (a) Current tax liabilities (net)                                              |    |                                   |                                   |
| (b) Provisions                                                                 | 15 | 366.17                            | 296.09                            |
| (c) Deferred tax liabilities (Net)                                             |    | -                                 | 197.27                            |
| (d) Other non-financial liabilities                                            | 16 | 114.01                            | 71.51                             |
|                                                                                |    | <b>480.18</b>                     | <b>564.87</b>                     |
| <b>Equity</b>                                                                  |    |                                   |                                   |
| (a) Equity share capital                                                       | 17 | 5,453.47                          | 5,167.49                          |
| (b) Other equity                                                               | 18 | 40,495.78                         | 31,391.98                         |
|                                                                                |    | <b>45,949.25</b>                  | <b>36,559.47</b>                  |
| <b>Total Liabilities and Equity</b>                                            |    | <b>2,41,346.70</b>                | <b>1,70,159.94</b>                |
|                                                                                |    | -                                 | -                                 |

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| IKF Finance Limited                                                                          |         |                             |                             |
|----------------------------------------------------------------------------------------------|---------|-----------------------------|-----------------------------|
| Statement of Unaudited Financial Results for the Period Ended 31 December 2022               |         |                             |                             |
| (Currency : INR in lakhs)                                                                    |         |                             |                             |
| Particulars                                                                                  | Note No | Unaudited as on 31 Dec 2022 | Unaudited as on 31 Dec 2021 |
| <b>(I) Revenue from operations</b>                                                           |         |                             |                             |
| (i) Interest income                                                                          | 19      | 19,865.35                   | 15,822.35                   |
| (ii) Fees and commission income                                                              | 20      | 122.06                      | 78.94                       |
| <b>(I) Total revenue from operations</b>                                                     |         | <b>19,987.42</b>            | <b>15,901.29</b>            |
| <b>(II) Other income</b>                                                                     | 21      | 6.73                        | 16.93                       |
| <b>(III) Total income (I + II)</b>                                                           |         | <b>19,994.15</b>            | <b>15,918.23</b>            |
| <b>(IV) Expenses</b>                                                                         |         |                             |                             |
| (i) Finance costs                                                                            | 22      | 10,644.30                   | 8,853.65                    |
| (ii) Impairment on financial instruments                                                     | 23      | 767.21                      | 559.28                      |
| (iii) Employee benefits expenses                                                             | 24      | 2,975.75                    | 2,266.10                    |
| Depreciation, amortization and                                                               |         |                             |                             |
| (iv) impairment                                                                              | 25      | 193.08                      | 97.46                       |
| (v) Others expenses                                                                          | 26      | 986.15                      | 691.85                      |
| <b>(IV) Total expenses</b>                                                                   |         | <b>15,566.49</b>            | <b>12,468.34</b>            |
| <b>Profit before tax (III - IV)</b>                                                          |         | <b>4,427.66</b>             | <b>3,449.88</b>             |
| <b>(VI) Tax expenses</b>                                                                     |         |                             |                             |
| (i) Current tax                                                                              |         | 1,081.70                    | 716.84                      |
| (ii) Deferred tax                                                                            |         | 53.18                       | 167.71                      |
| (iii) Adjustment of tax relating to earlier periods                                          |         | 0.44                        | -                           |
| <b>(VI) Total tax expenses</b>                                                               |         | <b>1,135.33</b>             | <b>884.55</b>               |
| <b>(VII) Profit for the period (V - VI)</b>                                                  |         | <b>3,292.33</b>             | <b>2,565.33</b>             |
| <b>(VIII) Other comprehensive income</b>                                                     |         |                             |                             |
| <b>(A) Items that will not be reclassified to profit or loss (specify items and amounts)</b> |         |                             |                             |
| (a) Remeasurements of the defined benefit plans                                              |         | 6.24                        | 9.71                        |
| Income tax relating to items that will not be reclassified to profit or loss                 |         | -1.57                       | -2.44                       |
| Other comprehensive income / (loss)                                                          |         | 4.67                        | 7.27                        |
| <b>(IX) Total comprehensive income for the period (VII +</b>                                 |         | <b>3,297.00</b>             | <b>2,572.60</b>             |

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## ANNEXURE VI: ILLUSTRATION OF CASH FLOWS

| Redemption Schedule    |                   |                                 |                                              |
|------------------------|-------------------|---------------------------------|----------------------------------------------|
| Redemption Instalments | Redemption Date   | Interest per Debenture (in INR) | Amount to be redeemed per Debenture (in INR) |
| 1                      | 27 June 2023      | 2,672                           | 12,500                                       |
| 2                      | 27 September 2023 | 2,338                           | 12,500                                       |
| 3                      | 27 December 2023  | 1,982                           | 12,500                                       |
| 4                      | 27 March 2024     | 1,652                           | 12,500                                       |
| 5                      | 27 June 2024      | 1,336                           | 12,500                                       |
| 6                      | 27 September 2024 | 1,002                           | 12,500                                       |
| 7                      | 27 December 2024  | 661                             | 12,500                                       |
| 8                      | 27 March 2025     | 327                             | 12,500                                       |

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## ANNEXURE VII: DISCLOSURE ON ALM

- A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC

(i) Lending Policy:

The management of the Company, with the prior approval of the Executive Directors of the Company, is empowered to sanction loans subject to the following guidelines

### Vehicle / Construction Equipment / Tractors & Agri Machinery Loans

| Particulars                                   | Vehicles (CVs (both Goods & Passenger), Cars & MUVs (Both Taxi Plate & Personal), Two & Three Wheelers | Construction Equipment                     | Tractors & Agri Machinery                  |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Maximum Tenure                                | 72 Months                                                                                              | 72 Months                                  | 72 Months                                  |
| Minimum Rate of Interest                      | 2% over and above the lowest Cost of Funds                                                             | 2% over and above the lowest Cost of Funds | 2% over and above the lowest Cost of Funds |
| Maximum Rate of Interest                      | 30.00%                                                                                                 | 30.00%                                     | 30.00%                                     |
| Intervals for receipt of Principle & Interest | Monthly / Quarterly                                                                                    | Monthly / Quarterly                        | Monthly / Quarterly / Half yearly / Yearly |

- **Applicable to Channel Business / Franchisee Borrowers and underlying Borrowers of Direct Assignment & Securitization Transactions**

### Business / SME / Mortgage / Warehouse Receipt Loans

| Particulars                                   | Business / SME                                              | Mortgage                                                    | Warehouse Receipt Loans                                     |
|-----------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| Maximum Tenure                                | 96 Months                                                   | 96 Months                                                   | 12 Months                                                   |
| Minimum Rate of Interest                      | 2% over and above the lowest Cost of Funds                  | 2% over and above the lowest Cost of Funds                  | 2% over and above the lowest Cost of Funds                  |
| Maximum Rate of Interest                      | 30.00%                                                      | 30.00%                                                      | 30.00%                                                      |
| Intervals for receipt of Principle & Interest | Monthly / Quarterly / Half yearly / Yearly / Bullet Payment | Monthly / Quarterly / Half yearly / Yearly / Bullet Payment | Monthly / Quarterly / Half yearly / Yearly / Bullet Payment |

- **Applicable to Channel Business / Franchisee Borrowers and underlying Borrowers of Direct Assignment & Securitization Transactions**
- **Demarcated / Distinguished Properties shall be considered as Collateral Security. However, in exceptional cases considering the integrity and standing of the borrower, the Executive Directors have the power to accept un-demarcated / undivided property as security with lower LTV.**

### Demand / Call Loans

| Particulars                                   | Demand / Call Loans                                         |
|-----------------------------------------------|-------------------------------------------------------------|
| Maximum Tenure                                | 36 Months                                                   |
| Minimum Rate of Interest                      | 2% over and above the lowest Cost of Funds                  |
| Maximum Rate of Interest                      | 30.00%                                                      |
| Intervals for receipt of Principle & Interest | Monthly / Quarterly / Half yearly / Yearly / Bullet Payment |

- **Applicable to Channel Business / Franchisee Borrowers and underlying Borrowers of Direct Assignment & Securitization Transactions**

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### **Working Capital / Short Term Loans**

| Particulars                                   | Working Capital Loans                                               | Top Up Loans                                                        | Additional Finance                                                  |
|-----------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Maximum Tenure                                | 36 Months or Original Tenor of the existing Loan whichever is lower | 36 Months or Original Tenor of the existing Loan whichever is lower | 36 Months or Original Tenor of the existing Loan whichever is lower |
| Minimum Rate of Interest                      | 2% over and above the lowest Cost of Funds                          | 2% over and above the lowest Cost of Funds                          | 2% over and above the lowest Cost of Funds                          |
| Maximum Rate of Interest                      | 30.00%                                                              | 30.00%                                                              | 30.00%                                                              |
| Intervals for receipt of Principle & Interest | Due Date or on Demand whichever is earlier                          | Due Date or on Demand whichever is earlier                          | Due Date or on Demand whichever is earlier                          |

- **Applicable to Channel Business / Franchisee Borrowers and underlying Borrowers of Direct Assignment & Securitization Transactions**

### **Fees & Charges**

| Particulars                                         | Minimum                                              | Maximum                                                |
|-----------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|
| Delayed / Late Payment / Additional Finance Charges | 1% per Month                                         | 3% per Month                                           |
| Cheque Bounce Charges                               | Rs.50/- per Instance                                 | Rs.1000/- per Instance                                 |
| Collection Charges                                  | Rs.25/- per every 10 days delay                      | Rs.200/- per every 10 days delay                       |
| Prepayment / Fore Closure Charges                   | 0.50% of the Principle loan outstanding              | 5.00% of the Principle loan outstanding                |
| Processing Fee / Documentation Charges              | Rs.100/- or 0.10% of Loan Amount whichever is higher | Rs.10000/- or 3.00% of Loan Amount whichever is higher |
| Overdue Reminder & Other Notice Charges             | Rs.100/- per Notice / Reminder                       | Rs.500/- per Notice / Reminder                         |
| Legal Notice Charges                                | Rs.500/- per Notice                                  | Rs.5000/- per Notice                                   |

The Credit / Risk team is at liberty;

- To insist for Security Deposit, based on the Borrower / Product Profile, to lower the effective Loan to Value.
- To charge extra rate of interest, over and above the stipulated interest rate, in specific cases like small ticket loans and where the borrower situated at a distance / remote places etc., with the concurrence of the Borrower.

Security Cheques are to be collected in all the possible cases except for Three Wheelers, Small Commercial Vehicles, Loans below Rs.2 lacs.

Collection of Installments / Principle, in all possible cases based on borrower's convenience, is to be made through electronic means.

Expenses, like Stamp Duty, Repossession / Collection Agency, Parking Yard, Legal etc., incurred with respect to the borrower loan account are to be recovered from borrower.

Executive Directors are authorized;

- (1) To determine Rate of Interest, Tenor etc. for sub products within the given Product category, from time to time, based on market dynamics subject to the overall limits mentioned hereinabove.
- (2) To determine other terms like Loan to Value (LTV), Processing / Documentation Fee, Late Payment / Additional Finance Charges, Prepayment / Foreclosure

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Charges, Cheque bounce Charges, Collection Charges, Notice Charges etc. for sub products within the given Product category, from time to time, based on market dynamics.

(3) To waive Processing / Documentation, Late Payment / Additional Financial Charges, Prepayment / Fore Closure Charges, Cheque bounce Charges, Collection Charges, Notice Charges etc. & expenses incurred with respect to the loan accounts, on case to case basis, from time to time.

(4) To defer collection of delayed payment charges, collection and other charges instead of monthly, from time to time, keeping in view the market practices

For the sake of operational convenience as the Company is engaged in retail lending, the Executive Directors are empowered to delegate the above to the key employees of the Company, from time to time.

Board Approval is required for any deviation from the policy.

(ii) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc: Nil

(iii) Classification of loans into several maturity profile denomination:

| Liabilities                     | 0-7 days | 8-15 days | 15-30 days | 1-2 Months | 2-3 Months | 3-6 Months | 6-12 months | 1-3 Years | 3-5 Years | More than 5 Years | Total   |
|---------------------------------|----------|-----------|------------|------------|------------|------------|-------------|-----------|-----------|-------------------|---------|
| Loans & Advances (Standard)     | 24.61    | 9.58      | 64.36      | 58.55      | 58.22      | 349.69     | 335.91      | 857.84    | 167.88    | 8.54              | 1935.19 |
| Loans & Advances (Sub-Standard) | 0.00     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00        | 0.00      | 19.91     | 0.17              | 20.08   |
| Loans & Advances (Doubtful)     | 0.00     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00       | 0.00        | 0.00      | 0.00      | 23.56             | 23.56   |

(iv) Aggregated exposure to top 20 borrowers: Rs.263.56 Cr – 13.32% as of December 31, 2022 as per the Financial Statements

(v) Details of loans, overdue and classified as NPA: Rs.56.82 Cr and 2.87% as of December 31, 2022 as per the Financial Statements

#### B. Details of borrowings made by NBFC

(i) Portfolio Summary of borrowings made by NBFC: Refer below

(ii) Quantum and percentage of Secured vs. Unsecured borrowings: Refer below

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Rs.0.39 Cr (0.02%) are unsecured loans and rest Rs.1978.44 (99.98%) are secured loans as of December 31, 2022.

C. Details of change in shareholding

- (i) Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India: There was no change in the promoters holding during last financial year beyond the threshold prescribed by Reserve Bank of India

D. Disclosure of Assets under management

- (i) Segment wise break up and Type of loans:

As on March 2022

| Product                | AUM            |
|------------------------|----------------|
| Cars & Muvs            | 372.64         |
| Commercial Vehicles    | 536.45         |
| Construction Equipment | 326.18         |
| SME & Other Advances   | 180.97         |
| Three Wheeler          | 119.37         |
| Tractor                | 32.29          |
| Two Wheelers           | 146.18         |
| LAP Pool Buyout        | 28.19          |
| <b>Grand Total</b>     | <b>1742.27</b> |

E. Details of borrowers

- (i) Geographical location wise:

As on March 2022

| State              | AUM            |
|--------------------|----------------|
| Andhra Pradesh     | 589.35         |
| Gujarat            | 244.69         |
| Karnataka          | 56.70          |
| Kerala             | 1.65           |
| Madhya Pradesh     | 64.51          |
| Maharashtra        | 140.06         |
| Rajasthan          | 48.09          |
| Tamilnadu          | 186.57         |
| Telangana          | 410.65         |
| <b>Grand Total</b> | <b>1742.27</b> |

F. Details of Gross NP

- (i) Segment wise:

| Sr. No. | Segment-wise gross NPA                            | Gross NPA (%) March 22 |
|---------|---------------------------------------------------|------------------------|
| A.      | Mortgages (home loans and loans against property) | 3.38%                  |
| B.      | Vehicle finance                                   | 2.97%                  |

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|    |        |       |
|----|--------|-------|
| C. | Others | 1.61% |
|----|--------|-------|

G. Details of Assets and Liabilities

(i) Residual maturity profile wise into several bucket:

Dec-2022

| Liabilities                                                     | 0-7 days | 8-15 days | 15-30 days | 1-2 months | 2-3 months | >3 <6 months | >6 <12 months | >12 <36 months | >36 <60 months | >60 months | Total     |
|-----------------------------------------------------------------|----------|-----------|------------|------------|------------|--------------|---------------|----------------|----------------|------------|-----------|
| Equity Capital                                                  | 0.00     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00         | 0.00          | 0.00           | 0.00           | 5453.47    | 5453.47   |
| Reserves & Surplus                                              | 0.00     | 0.00      | 0.00       | 0.00       | 0.00       | 0.00         | 0.00          | 0.00           | 0.00           | 40495.78   | 40495.78  |
| Tier II Capital                                                 | 18.71    | 0.00      | 11.80      | 0.00       | 0.00       | 0.00         | 0.00          | 2000.00        | 2500.00        | 14000.00   | 18530.51  |
| Secured NCDs                                                    | 0.00     | 0.00      | 81.10      | 0.00       | 50.82      | 5000.00      | 5000.00       | 0.00           | 0.00           | 0.00       | 10131.92  |
| Working Capital Limits                                          | 11.20    | 0.00      | 0.00       | 1000.00    | 3075.89    | 0.00         | 21437.82      | 0.00           | 0.00           | 0.00       | 25524.91  |
| Term Loan from Banks                                            | 1039.38  | 39.66     | 1013.42    | 1473.14    | 5083.26    | 10200.81     | 20068.33      | 57929.44       | 11901.19       | 250.00     | 108998.63 |
| Term Loan from NBFCs                                            | 292.93   | 11.06     | 284.36     | 877.68     | 634.83     | 1955.88      | 3964.12       | 13671.31       | 80.38          | 0.00       | 21772.55  |
| Term Loan from Financial Institutions                           | 0.00     | 23.00     | 0.00       | 0.00       | 153.00     | 459.00       | 918.00        | 3060.00        | 0.00           | 0.00       | 4613.00   |
| Associated liabilities in respect of securitisation transaction | 0.00     | 0.00      | 56.78      | 24.99      | 0.00       | 0.00         | 0.00          | 0.00           | 0.00           | 0.00       | 81.77     |
| Un-Secured NCDs                                                 | 0.00     | 0.00      | 127.49     | 0.00       | 1835.62    | 0.00         | 1568.94       | 0.00           | 0.00           | 0.00       | 3532.05   |
| Security Deposits                                               | 1.45     | 0.41      | 36.36      | 17.97      | 85.67      | 17.04        | 44.15         | 149.95         | 17.55          | 0.00       | 370.55    |
| Statutory Dues Payable                                          | 59.00    | 0.00      | 55.01      | 0.00       | 0.00       | 0.00         | 0.00          | 0.00           | 0.00           | 0.00       | 114.01    |

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|                                 |                 |                |                 |                |                 |                 |                 |                 |                 |                 |                  |
|---------------------------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Other Current Liabilities       | 112.78          | 1697.32        | 311.45          | 60.82          | 9.71            | 103.19          | 66.56           | 84.56           | 0.00            | 0.00            | 2446.39          |
| Provision for NPA               | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 1513.16         | 0.00            | 0.00            | 1513.16          |
| Provision for Standard Assets   | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 1869.48         | 0.00            | 0.00            | 1869.48          |
| Provision for Employee Benefits | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 366.17          | 0.00            | 0.00            | 366.17           |
| <b>Total</b>                    | <b>1535.45</b>  | <b>1771.45</b> | <b>1977.77</b>  | <b>3454.60</b> | <b>10928.80</b> | <b>17735.92</b> | <b>53067.92</b> | <b>80644.07</b> | <b>14499.12</b> | <b>60199.25</b> | <b>245814.35</b> |
| <b>Assets</b>                   |                 |                |                 |                |                 |                 |                 |                 |                 |                 |                  |
| Fixed Assets                    | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 321.48          | 321.48           |
| Cash on Hand                    | 68.09           | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 68.09            |
| Cash at Bank                    | 0.00            | 0.00           | 7489.93         | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 7489.93          |
| FDs with Banks                  | 3018.54         | 0.00           | 0.00            | 0.00           | 0.00            | 237.64          | 659.43          | 1304.71         | 0.00            | 0.00            | 5220.32          |
| Loans & Advances- Standard      | 2461.30         | 957.89         | 6436.48         | 5855.03        | 5822.25         | 34968.59        | 33590.82        | 85784.28        | 16787.97        | 854.18          | 193518.79        |
| Loans & Advances- Sub-Standard  | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 1990.94         | 16.82           | 2007.76          |
| Loans & Advances- Doubtful      | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 2356.00         | 2356.00          |
| Short Term Investment in MLDs   | 11293.13        | 2048.01        | 0.00            | 0.00           | 6581.58         | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 19922.72         |
| Investment in Subsidiary        | 0.00            | 0.00           | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 8752.33         | 8752.33          |
| Other Assets                    | 0.00            | 0.09           | 16.87           | 0.00           | 0.00            | 176.76          | 678.09          | 1982.94         | 0.00            | 3302.18         | 6156.93          |
| <b>Total</b>                    | <b>16841.06</b> | <b>3005.99</b> | <b>13943.28</b> | <b>5855.03</b> | <b>12403.83</b> | <b>35382.99</b> | <b>34928.34</b> | <b>89071.93</b> | <b>18778.91</b> | <b>15602.99</b> | <b>245814.35</b> |
| Mismatch                        | 15305.61        | 1234.54        | 11965.51        | 2400.43        | 1475.03         | 17647.07        | -18139.58       | 8427.86         | 4279.79         | -44596.26       | 0.00             |

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|                     |          |          |          |          |          |          |          |          |          |      |      |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|------|
| Cumulative Mismatch | 15305.61 | 16540.15 | 28505.66 | 30906.09 | 32381.12 | 50028.19 | 31888.61 | 40316.47 | 44596.26 | 0.00 | 0.00 |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|------|

H. Additional details of loans made by, Housing Finance Company: Nil

I. Disclosure of latest ALM statements to stock exchange: The Company has not submitted any disclosure of ALM to BSE.

**ANNEXURE VIII: COPY OF BOARD RESOLUTION AND MANAGEMENT COMMITTEE RESOLUTION**



**EXTRACT FROM THE MINUTES OF THE MEETING OF THE MANAGEMENT COMMITTEE (THE "COMMITTEE") OF IKF FINANCE LIMITED (THE "COMPANY") AT THEIR MEETING HELD ON 17<sup>th</sup> DAY OF MARCH, 2023, AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT "40-1-144, CORPORATE CENTRE, M.G.ROAD, VIJAYAWADA, ANDHRAPRADESH-520010 AT 11.00 A.M.,**

**Issue of Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures on a private placement basis**

The Committee noted the Company's proposal for raising by way of private placement up to Rs 7000 (Seven Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable Non-Convertible Debentures having a face value of Rs. 1,00,000/- (Rupees One Lac only) each, of the aggregate nominal value of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only), in a single series, in dematerialised form, to raise funds for the ongoing business purposes and General Corporate purposes, and pursuant to the approval of the Board of Directors of the Company in their meeting held on 21.07.2021 and members at their meeting held on 30.09.2022.

The Chairman informed the Committee that:

1. In order for the Company to raise funds, *inter alia*, ongoing business purposes and General Corporate purposes, and pursuant to the approval of the Board of Directors of the Company at their meeting held on 21.07.2021 and pursuant to the approval of the members of the Company at their meeting held on 30.09.2022, the Company is planning to raise Non Convertible Debentures for that purpose to make a private placement of non-convertible debentures, by way of an issue of up to 7000 (Seven Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable Non-Convertible Debentures having a face value of Rs. 1,00,000/- (Rupees One Lac only) each, of the aggregate nominal value of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only), in a single series (the "**Debentures**") to be issued and allotted in dematerialised form, to identified categories of investors, being financial institutions, insurance companies, provident funds, gratuity, pension, superannuation funds, regional rural banks, mutual funds, alternate investment funds, companies, body corporates authorized to invest in bonds, trusts, association of persons, societies, individuals, scheduled commercial banks, cooperative bank, partnership firms, HUF and any other person (not being an individual or a group), who shall meet the eligibility criteria as set out in the information memorandum/offer letter, on such terms and conditions as set out in the term sheet tabled before the Committee and do all other acts in connection with the issue of the Debentures.
2. Further, in relation to the issuance of Debentures and other acts required in connection therewith, the Company will be required to *inter alia*:

a. Appoint a debenture trustee to act for and on behalf of the holders of the Debentures;

**IKF Finance Limited**  
**Registered Office:** #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.  
Ph: 91-866-2474644, 2474633 | Fax: 91-866-2485755 | Email: ikffinance@gmail.com | Web: www.ikffinance.com  
**Corporate Office:** Plot No's. 30/A, Survey No. 83/1, 11th Floor, My Home Twitza, , APIIC Hyderabad Knowledge City, Raidurg (Panmaqtha) Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500081, Telangana  
Ph: 91-40-69268899 | **CIN:U65992AP1991PLC012736**



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- b. Procure rating for the Debentures from an accredited rating agency;
- c. Obtain listing of Debentures on wholesale debt market segment of the BSE
- d. Enter into the requisite agreements with the depository participant i.e., National Securities Depository Limited and/or Central Depository Services (India) Limited for the issue of the Debentures in a dematerialized form;
- e. Open such bank account(s) as may be required in relation to servicing of the Debentures;
- f. Execute the debenture trust deed, disclosure document/offer letter, powers of attorney, and such other documents as may be required to be executed in relation to the Debentures.

The Committee discussed the matter and thereafter unanimously passed the following resolution:

**“RESOLVED THAT** pursuant to the powers conferred upon the Committee in terms of the resolution of the Board of Directors of the Company dated 21.07.2021, and as approved by the Board of Directors of the Company by way of the said resolution and members of the Company in the general meeting held on 30.09.2022 and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the applicable provisions of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, listing agreement entered into by the Company with Bombay Stock Exchange, the regulations issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies from time to time and other applicable laws, if any, the Committee hereby approves the issuance of up to 7000 (Seven Thousand) Unsubordinated, Rated, Listed, Unsecured, Redeemable, Taxable Non-Convertible Debentures having a face value of Rs. 1,00,000/- (Rupees One Lac only) each, of the aggregate nominal value of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only), in a single series (the “**Debentures**”) on a private placement basis to identified categories of investors, being financial institutions, insurance companies, provident funds, gratuity, pension, superannuation funds, regional rural banks, mutual funds, alternate investment funds, companies, body corporates authorized to invest in bonds, trusts, association of persons, societies, individuals, scheduled commercial banks, cooperative bank, partnership firms, HUF and any other person (not being an individual or a group), who shall meet the eligibility criteria as set out in the information memorandum/offer letter) and who are successful bidders on the electronic book platform as per the applicable regulations issued by the Securities and Exchange Board of India in relation to the EBP mechanism, on such terms and conditions such as issue size, tenor and coupon as the Committee may deem appropriate based on prevailing market and other conditions and do all other acts as may be required in connection with the issue of Debentures.

**RESOLVED THAT** the Committee hereby approves the appointment of:

**IKF Finance Limited**

**Registered Office:** #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.

Ph: 91-866-2474644, 2474633 | Fax: 91-866-2485755 | Email: ikffinance@gmail.com | Web: www.ikffinance.com

**Corporate Office:** Plot No's. 30/A, Survey No. 83/1, 11th Floor, My Home Twitza, , APIIC Hyderabad Knowledge City, Raidurg (Panmaqtha) Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500081, Telangana  
Ph: 91-40-69268899 | CIN:U65992AP1991PLC012736



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- g. Vardhaman Trusteeship Private Limited as the trustee to act for and on behalf of the holders of the Debentures;
- h. National Securities Depository Limited (“NSDL”) or Central Depository Services Limited (“CDSL”) or both, as determined by any authorised signatory as the depository for the issue of Debentures; and
- i. Bigshare Services Private Limited as the registrar to the issue of Debentures.

**RESOLVED FURTHER THAT** (i) Sri.V.G.K.Prasad, Chairman, (ii) Smt.V.Indiria Devi, Whole-time Director (iii) Smt.K.Vasumathi Devi, Managing Director, Smt.V.Vasantha Lakshmi, Alternate Director, Sri.Ch.Sreenivasa Rao, Company Secretary, (“**Authorised Signatories**”) of the Company, be and are hereby severally authorized on behalf of the Company, to negotiate, finalise, sign and execute the necessary definite agreements including debenture trust deed, debenture trustee agreement, powers of attorney, and other agreements, documents, papers, writing, amendments, disclosure document, private placement offer-cum-application letter, on behalf of the Company with respect to the Debentures and to take such steps as may be necessary for filing of the said documents with the respective authority and to obtain approvals, statutory, contractual or otherwise, in relation to the above if required and to settle all matters arising out of and incidental thereto, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** the Authorised Signatories of the Company, be and are hereby severally authorised to do all such acts, deeds, things and execute or ratify all such documents whatsoever as may be required in connection with the issue of the Debentures including without limitation execution or ratification of the requisite agreement(s) with the National Securities Depository Limited and/ or the Central Depository Services (India) Limited, the opening of bank accounts and opening of demat accounts, listing of Debentures on wholesale debt market segment of the BSE, appointment of the trustees, appointment of legal counsel, the registrar and transfer agent to the issue, credit rating company and other advisors as may be required and making payment of their fees.

**RESOLVED FURTHER THAT** any of the Directors, and the Authorised Signatories of the Company, be and are hereby severally authorised to do all such acts, deeds and things as are necessary for registering any of the documents, being executed by the Company, and for filing of necessary forms, returns and such other documents pertaining to the aforesaid issuance of Debentures with the relevant registrar of companies, stock exchanges, Securities and Exchange Board of India (“**SEBI**”), or any other authority.

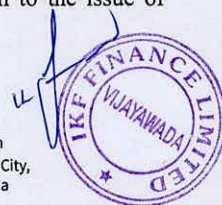
**RESOLVED FURTHER THAT** the Committee hereby authorizes the issuance of power of attorney authorizing the Authorised Signatories to execute or ratify all documents required to be executed or ratified as aforesaid and do all such acts and deeds as may be required in relation to the issue of Debentures.

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Ph: 91-40-69268899 | CIN:U65992AP1991PLC012736



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**RESOLVED FURTHER THAT** the approval of the Committee be and is hereby given to affix the Common Seal of the Company on any or all documents as per the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolutions certified to be a true copy by any of the Directors or Company Secretary of the Company be furnished to such parties concerned with respect to the issue of the Debentures.”

//Certified True Copy//  
For IKF Finance Limited

(Ch. Sreenivasa Rao)  
Company Secretary  
M.NO:A14723



Place: Vijayawada  
Date: 18.03.2023

**IKF Finance Limited**

**Registered Office:** #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.

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## IKF Finance Limited

40-1-144, Corporate Centre, M.G.Road,  
VIJAYAWADA – 520 010

Phone - 866+2474644, 2474633 Fax – 0866+2485755  
Email – [ikffinance@gmail.com](mailto:ikffinance@gmail.com) Web – [ikffinance.com](http://ikffinance.com)

CIN: U65992AP1991PLC012736

**EXTRACTS OF MINUTES OF THE BOARD OF DIRECTORS MEETING OF IKF FINANCE LIMITED HELD ON MINUTES OF THE BOARD OF DIRECTORS MEETING OF IKF FINANCE LIMITED HELD ON WEDNESDAY, THE 21<sup>ST</sup> DAY OF JULY, 2021 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 40-1-144, CORPORARE CENTRE, M.G.ROAD, VIJAYAWADA-520010 AT 11.00 A.M.**

### **DELEGATION OF POWERS TO THE MANAGEMENT COMMITTEE**

The Chairman has drawn the attention of the Board about the frequent requirements of transactions with various Banks, Financial Institutions, Non Banking Financial Companies and other statutory authorities in between the Board meetings and the practical difficulties being faced by the management to convene the Board Meeting frequently to obtain concurrence of the Board of Directors and resolutions thereof and has requested the Board to approve delegation of exercise of such powers to the Management Committee in between the two Board Meetings.

The Board considered and after due discussions it was approved to delegate some of the powers to the Management Committee and the following resolution was passed unanimously:

“RESOLVED THAT pursuant to the provisions of Section 179(3), 180 and 186 of the Companies Act, 2013 and the rules made there under (including any statutory modification( or re-enactments thereof for the time being in force), the Management Committee of the Board comprise the members i) Mr .V.G.K.Prasad, Managing Director, ii) Mrs.K.Vasumathi Devi, Executive Director and iii) Mr.S.Veerabhadra Rao, Independent Director to exercise the following powers on behalf of the Board of Directors from time to time

- i) To finalize and approve the terms and conditions of various credit facilities on behalf of the Board, and to exercise the borrowing powers within the limits of borrowing powers of the Board, with all NBFCs, Banks and other Financial Institutions
- ii) To finalize the terms and conditions and approve the assignment and securitization transaction with all NBFCs, Banks and other Financial Institutions
- iii) To approve the day to day management transactions
- iv) To open any Bank Account and approve the authorities to operate the accounts or to close any inoperative Bank accounts
- v) To apply for any approvals, permissions with Statutory authorities like Registrar of Companies, Reserve Bank of India
- vi) To give authorization to the Directors and other authorities to execute the documents on behalf of the Company”

*Corporate Office*

4<sup>th</sup> Floor, # 6-3-902/A, Central Plaza, Near Yashoda Hospital,

**ANNEXURE IX: COPY OF SHAREHOLDERS RESOLUTION**

**SECTION 180(1)(c) SHAREHOLDERS RESOLUTION DATED SEPTEMBER 30, 2022**



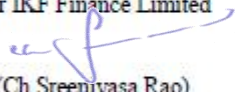
**EXTRACT OF THE RESOLUTIONS PASSED BY THE SHAREHOLDERS OF THE COMPANY AT THE ANNUAL GENERAL MEETING HELD ON FRIDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2022, AT 11.00 A.M., THROUGH VIDEO CONFERENCE ("VC")/ OTHER AUDIO VISUAL MEANS ("OAVM")**

**Renew the Borrowing Powers of the Company of Rs 5000 Crores**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in 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 are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/ entities and/or authority/ authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.5,000 Crores (Rupees Five 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 of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

//Certified True Copy//  
For IKF Finance Limited

  
(Ch Sreenivasa Rao)  
Company Secretary  
ACS :014723

Place: Vijayawada  
Date: 07.10.2022

IKF Finance Limited

Registered Office: #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.  
Ph: 91-866-2474644, 2474633 | Fax: 91-866-2485755 | Email: ikffinance@gmail.com | Web: www.ikffinance.com

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## **ANNEXURE X: IN-PRINCIPLE APPROVAL**

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## ANNEXURE XI: DUE DILIGENCE CERTIFICATE

CIN: U65993WB2010PTC152401

 **VARDHMAN**  
TRUSTEESHIP PVT LTD  
Nurturing & Protecting Your Trust

Ref: 656/OPR/VTPL/2022-23

Date: 17<sup>th</sup> March, 2023

|                                                                                                                                                                                           |                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| To,<br>Securities Exchange Board of India<br>Investment Management Department<br>Division of Funds – I, Plot No. C 4 A, G Block,<br>Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 | To,<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai- 400001 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|

Dear Sir / Madam

**SUB: ISSUE OF UNSUBORDINATED, RATED, LISTED, UNSECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES AGGREGATING UP TO 70 CRORES ("ISSUE") ON PRIVATE PLACEMENT BASIS BY IKF FINANCE LIMITED ("COMPANY").**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports, and certifications.
2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports, and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued. **Not Applicable**
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies). **Not Applicable**
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement. **Not Applicable**
- e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application
- f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application. **Not Applicable**
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair, and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue. **Not Applicable**

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: MUMBAI

Date: 17-03-2023

For Vardhman Trusteeship Pvt. Ltd.

  
Authorized Signatory



 Registered Office Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata - 700001.  
 Corporate Office The Capital, 412A, Bandra Kurla Complex, Bandra (East), Mumbai- 400051.  
+91 22 4264 8335 / +91 22 4014 0832  
corporate@vardhmantrustee.com www.vardhmantrustee.com

 Mumbai  Bengaluru  Kolkata  New Delhi

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## ANNEXURE XII: RELATED PARTY TRANSACTION ENTERED DURING LAST THREE FINANCIAL YEARS

### FY 2021-2022 and FY 2020-2021

| Name of related party    | Nature of transaction                                     | For the FY 2021      |                                                     |                          |                      |                      | For the FY 2022                                     |                          |                      |                      |
|--------------------------|-----------------------------------------------------------|----------------------|-----------------------------------------------------|--------------------------|----------------------|----------------------|-----------------------------------------------------|--------------------------|----------------------|----------------------|
|                          |                                                           | As at March 31, 2020 | Transaction value for the year ended March 31, 2021 | Received During the year | Paid During The year | As at March 31, 2021 | Transaction value for the year ended March 31, 2022 | Received During the year | Paid During the Year | As at March 31, 2022 |
| Key management personnel |                                                           |                      |                                                     |                          |                      |                      |                                                     |                          |                      |                      |
| Mr. V G K Prasad         | Rent paid                                                 | -                    | 20.33                                               | -                        | -                    | -                    | 21.60                                               | -                        | -                    | -                    |
|                          | Director's remuneration                                   | -                    | 70.00                                               | -                        | -                    | -                    | 75.83                                               | -                        | -                    | -                    |
|                          | Director Commission Payable                               | 35.66                | 41.55                                               | -                        | 35.66                | 41.55                | 51.02                                               | -                        | 41.55                | 51.02                |
|                          | Rent deposit given                                        | 50.00                | -                                                   | -                        | -                    | 50.00                | -                                                   | -                        | -                    | 50.00                |
|                          | Advance Received                                          | -                    | -                                                   | (344.85)                 | 344.85               | -                    | -                                                   | -                        | -                    | -                    |
|                          | Interest paid on advance                                  | -                    | 0.64                                                | -                        | -                    | -                    | -                                                   | -                        | -                    | -                    |
|                          | Share Capital (INR 10/- Paid up)                          | 1586.79 *            | -                                                   | -                        | -                    | 1587.56*             | -                                                   | -                        | -                    | 1974.32*             |
|                          | Partly paid up shares (Rs 10 Paid Up) **                  | 189.31               | -                                                   | 94.66                    | -                    | 283.97               | -                                                   | 66.61                    | -                    | -                    |
|                          | Premium Received on Allotment of Partly Paid up Shares ** | 1,184.92             | -                                                   | 592.46                   | -                    | 1,777.38             | -                                                   | 416.92                   | -                    | -                    |
| Mrs. V Indira Devi       | Rent paid                                                 | -                    | 43.56                                               | -                        | -                    | -                    | 48.00                                               | -                        | -                    | -                    |
|                          | Director's remuneration                                   | -                    | 30.00                                               | -                        | -                    | -                    | 32.50                                               | -                        | -                    | -                    |
|                          | Director                                                  |                      |                                                     |                          |                      |                      |                                                     |                          |                      |                      |

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|                                              |                                                           |        |       |       |       |        |       |         |       |        |
|----------------------------------------------|-----------------------------------------------------------|--------|-------|-------|-------|--------|-------|---------|-------|--------|
| Mrs.K.Vasumathi Devi                         | Commission Payable                                        | 15.18  | 17.68 | -     | 15.18 | 17.68  | 21.71 | -       | 17.68 | 21.71  |
|                                              | Rent deposit given                                        | 38.50  | -     | -     | -     | 38.50  | -     | -       | -     | 38.50  |
|                                              | Share Capital (INR 10/- Paid up)                          | 132.69 | -     | -     | -     | 132.69 | -     | -       | -     | 164.81 |
|                                              | Partly paid up shares (Rs 10 Paid Up) **                  | 17.35  | -     | 8.67  | -     | 26.02  | -     | 6.10    | -     | -      |
|                                              | Premium Received on Allotment of Partly Paid up Shares ** | 108.57 | -     | 54.29 | -     | 162.86 | -     | 38.20   | -     | -      |
|                                              | Director's remuneration                                   | -      | 50.00 | -     | -     | -      | 54.17 | -       | -     | -      |
|                                              | Director Commission Payable                               | 25.04  | 29.17 | -     | 25.04 | 29.17  | 35.82 | -       | -     | 64.99  |
|                                              | Share Capital (INR 10/- Paid up)                          | 213.13 | -     | -     | -     | 213.13 | -     | -       | -     | 264.73 |
|                                              | Partly paid up shares (Rs 10 Paid Up) **                  | 27.86  | -     | 13.93 | -     | 41.79  | -     | 9.80    | -     | -      |
|                                              | Premium Received on Allotment of Partly Paid up Shares ** | 174.39 | -     | 87.20 | -     | 261.59 | -     | 61.36   | -     | -      |
|                                              | Salary Paid                                               | -      | 47.71 | -     | -     | -      | 51.05 | -       | -     | -      |
|                                              | Mr.Sreepal Gulabchand Jain                                |        |       |       |       |        |       |         |       |        |
| Mr.Ch.Sreenivasa Rao                         | Salary Paid                                               | -      | 21.00 | -     | -     | -      | 23.10 | -       | -     | -      |
|                                              | Staff Loan                                                | -      | -     | -     | -     | -      | -     | (10.00) | 10.00 | -      |
|                                              | Interest Received                                         |        |       |       |       |        | 0.04  |         |       |        |
|                                              | ESOP Compensation                                         | -      | 0.56  | -     | -     | -      | -     | -       | -     | -      |
| <b>Relatives of key management personnel</b> |                                                           |        |       |       |       |        |       |         |       |        |
| Mrs. D Vasantha Lakshmi                      | Share Capital (INR 10/- Paid up)                          | 200.61 | -     |       | -     | 200.61 |       |         |       | 249.18 |
|                                              | Partly paid                                               |        |       |       |       |        |       |         |       |        |

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|                                    |                                                                       |              |            |                 |               |              |            |                 |               |              |
|------------------------------------|-----------------------------------------------------------------------|--------------|------------|-----------------|---------------|--------------|------------|-----------------|---------------|--------------|
|                                    | up shares<br>(Rs 10 Paid<br>Up) **                                    | 26.23        | -          | 13.11           |               | 39.34        |            | 9.23            |               |              |
|                                    | Premium<br>Received on<br>Allotment of<br>Partly Paid<br>up Shares ** | 164.1<br>5   |            | 82.08           |               | 246.2<br>3   |            | 57.76           |               |              |
|                                    | Purchase of<br>IKF Home<br>Finance<br>Limited<br>Shares               | -            | -          |                 | -             | -            | -          |                 | -             | -            |
| Mr. V<br>Raghu<br>Ram              | Share<br>Capital (INR<br>10/- Paid up)                                | 144.9<br>7   | -          |                 | -             | 144.9<br>7   | -          |                 | -             | 180.0<br>7   |
|                                    | Partly paid<br>up shares<br>(Rs 10 Paid<br>Up) **                     | 18.95        | -          | 9.48            | -             | 28.43        | -          | 6.67            | -             | -            |
|                                    | Premium<br>Received on<br>Allotment of<br>Partly Paid<br>up Shares ** | 118.6<br>2   | -          | 59.31           | -             | 177.9<br>3   | -          | 41.74           | -             |              |
| Mr. Sinha<br>Satyanand<br>Chunduri | Share<br>Capital (INR<br>10/- Paid up)                                | 11.77        | -          | -               | -             | 11.77        | -          | -               | -             | 11.77        |
| Mrs.<br>Durga Rani<br>Chunduri     | Share<br>Capital (INR<br>10/- Paid up)                                | 149.4<br>1   | -          | -               | -             | 149.4<br>1   | -          | -               | -             | 149.4<br>1   |
| IKF Home<br>Finance<br>Limited     | Loan given                                                            | 1,912.<br>22 | -          | (2,362<br>.22)  | 450.0<br>0    | -            | -          | -               | -             | -            |
|                                    | Interest<br>Received                                                  | -            | 54.20      | -               | -             | -            | -          | -               | -             | -            |
|                                    | Inter<br>Corporate<br>deposits<br>taken ***                           | -            | -          | (26,60<br>0.00) | 26,60<br>0.00 | -            | -          | (48,20<br>0.00) | 48,20<br>0.00 | -            |
|                                    | Interest<br>Paid                                                      | -            | 261.3<br>7 | -               | -             | -            | 265.9<br>0 | -               | -             | -            |
|                                    | Direct<br>Assignment                                                  | 2,316.<br>22 | -          | (352.8<br>8)    | 1,523.<br>88  | 3,487.<br>22 | -          | (704.2<br>4)    | -             | 2,782.<br>98 |
|                                    | Interest<br>Receivable<br>on Direct<br>Assignment                     | 26.55        | 247.1<br>2 | (250.8<br>2)    | -             | 22.85        | 441.7<br>6 | (430.1<br>5)    | -             | 34.46        |
|                                    | Investments<br>in equity<br>shares by IKF<br>Finance Ltd.,            | 4,525.<br>10 | -          | -               | -             | 4,525.<br>10 | -          | -               | 1,727.<br>82  | 6,252.<br>92 |
|                                    | Investments                                                           |              |            |                 |               |              |            |                 |               |              |

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|                                                                                            |                                                                                                                  |          |       |          |      |          |       |   |       |          |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------|-------|----------|------|----------|-------|---|-------|----------|
|                                                                                            | in equity shares Refundable                                                                                      |          |       |          |      |          |       |   | 1.75  | 1.75     |
|                                                                                            | Service Fee Collected                                                                                            | -        | 40.05 | -        | -    | -        | 28.89 | - | -     |          |
|                                                                                            | Service Fee Paid                                                                                                 | -        | -     | -        | -    | -        | -     | - | -     |          |
|                                                                                            | Purchase of IKF Home Finance Limited Shares                                                                      | -        | -     | -        | -    | -        |       | - | -     |          |
| <b>Enterprises significantly influenced by key management personnel or their relatives</b> |                                                                                                                  |          |       |          |      |          |       |   |       |          |
| IKF Infratech Private Limited                                                              | Non Convertible Debentures                                                                                       | 63.20 *  | -     | -        | -    | 58.20 *  |       | - | 58.20 | -        |
|                                                                                            | Interest Paid                                                                                                    | -        | 6.80  | -        | 5.42 | 1.38     | 0.76  | - | 2.14  | -        |
| <b>Enterprises in which Directors are interested</b>                                       |                                                                                                                  |          |       |          |      |          |       |   |       |          |
| SVR Finance & Leasing Private Limited                                                      | Trade Advance                                                                                                    | 50.00    | -     | (50.00 ) | -    | -        | -     | - | -     | -        |
|                                                                                            | Interest Paid                                                                                                    | -        | -     |          | -    | -        | -     | - | -     | -        |
| <b>Enterprises having a significant influence</b>                                          |                                                                                                                  |          |       |          |      |          |       |   |       |          |
| India Business Excellence Fund-IIA                                                         | Share Capital (INR 10/- Paid up)                                                                                 | 1,305.16 | -     | -        | -    | 1,305.16 | -     | - | -     | 1,305.16 |
|                                                                                            | Share Premium                                                                                                    | -        | -     | -        | -    | -        | -     | - | -     |          |
|                                                                                            | Compulsorily Convertible Preference Shares of Rs 100/- Each (Converted into equity shares during the FY 2018-19) |          |       | -        |      |          |       |   |       |          |
|                                                                                            | Share premium on preference shares                                                                               |          | -     | -        | -    | -        |       |   |       |          |
| Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company                     | Share Capital (INR 10/- Paid up)                                                                                 | 780.40   | -     | -        | -    | 780.40   | -     | - | -     | 780.40   |

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|                                                                                                                |                                             |  |   |  |   |   |  |  |  |  |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------|--|---|--|---|---|--|--|--|--|
| Limited)<br>(Trustee of<br>Business<br>Excellence<br>Trust-II -<br>India<br>Business<br>Excellence<br>Fund II) |                                             |  |   |  |   |   |  |  |  |  |
|                                                                                                                | Share<br>premium on<br>preference<br>shares |  | - |  | - | - |  |  |  |  |

**FY 2019-2020 and FY 2020-2021**

| Name of<br>related<br>party                  | Nature of<br>transaction                  | For the FY 2020            |                                                                              |                                        |                                |                            | For the FY 2021                                                              |                                        |                                |                            |
|----------------------------------------------|-------------------------------------------|----------------------------|------------------------------------------------------------------------------|----------------------------------------|--------------------------------|----------------------------|------------------------------------------------------------------------------|----------------------------------------|--------------------------------|----------------------------|
|                                              |                                           | As at<br>March 31,<br>2019 | Trans<br>action<br>value<br>for<br>the<br>year<br>ended<br>March 31,<br>2020 | Receiv<br>ed<br>Durin<br>g the<br>year | Paid<br>Durin<br>g The<br>year | As at<br>March 31,<br>2020 | Trans<br>action<br>value<br>for<br>the<br>year<br>ended<br>March 31,<br>2021 | Receiv<br>ed<br>Durin<br>g the<br>year | Paid<br>Durin<br>g the<br>Year | As at<br>March 31,<br>2021 |
| <b>Key<br/>managem<br/>ent<br/>personnel</b> |                                           |                            |                                                                              |                                        |                                |                            |                                                                              |                                        |                                |                            |
| Mr. V G K<br>Prasad                          | Rent paid                                 | -                          | 20.33                                                                        | -                                      | -                              | -                          | 20.33                                                                        | -                                      | -                              | -                          |
|                                              | Director's<br>remuneratio<br>n            | -                          | 55.42                                                                        | -                                      | -                              | -                          | 70.00                                                                        | -                                      | -                              | -                          |
|                                              | Director<br>Commission<br>Payable         | -                          | 35.66                                                                        | -                                      | -                              | 35.66                      | 41.55                                                                        | -                                      | 35.66                          | 41.55                      |
|                                              | Rent<br>deposit<br>given                  | 50.00                      | -                                                                            | -                                      | -                              | 50.00                      | -                                                                            | -                                      | -                              | 50.00                      |
|                                              | Advance<br>Received                       | -                          | -                                                                            | -                                      | -                              | -                          | -                                                                            | (344.8<br>5)                           | 344.8<br>5                     | -                          |
|                                              | Interest<br>paid on<br>advance            | -                          | -                                                                            | -                                      | -                              | -                          | 0.64                                                                         | -                                      | -                              | -                          |
|                                              | Share<br>Capital (INR<br>10/- Paid up)    | 1586.<br>79 *              | -                                                                            | -                                      | -                              | 1586.<br>79*               | -                                                                            | -                                      | -                              | 1587.<br>56*               |
|                                              | Partly paid<br>up shares<br>(Rs 8.10 Paid | 189.3<br>1                 | -                                                                            | -                                      | -                              | 189.3<br>1                 | -                                                                            | 94.66                                  | -                              | 283.9<br>7                 |

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|                         |                                                        |          |       |         |   |          |       |         |       |          |
|-------------------------|--------------------------------------------------------|----------|-------|---------|---|----------|-------|---------|-------|----------|
|                         | Up)                                                    |          |       |         |   |          |       |         |       |          |
|                         | Premium on partly paid up shares                       | 1,184.92 | -     | -       | - | 1,184.92 | -     | 592.46  | -     | 1,777.38 |
| Mrs. V<br>Indira Devi   | Rent paid                                              | -        | 43.56 | -       | - | -        | 43.56 | -       | -     | -        |
|                         | Director's remuneration                                | -        | 30.00 | -       | - | -        | 30.00 | -       | -     | -        |
|                         | Director Commission Payable                            | -        | 15.18 | -       | - | 15.18    | 17.68 | -       | 15.18 | 17.68    |
|                         | Rent deposit given                                     | 38.50    | -     | -       | - | 38.50    | -     | -       | -     | 38.50    |
|                         | Share Capital (INR 10/- Paid up)                       | 132.69   | -     | -       | - | 132.69   | -     | -       | -     | 132.69   |
|                         | Partly paid up shares (Rs 8.10 Paid Up)                | 17.35    | -     | -       | - | 17.35    | -     | 8.67    | -     | 26.02    |
|                         | Premium Received on Allotment of Partly Paid up Shares | 108.57   | -     | -       | - | 108.57   | -     | 54.29   | -     | 162.86   |
|                         | Director's remuneration                                | -        | 38.33 | -       | - | -        | 50.00 | -       | -     | -        |
|                         | Director Commission Payable                            | -        | 25.04 | -       | - | 25.04    | 29.17 | -       | 25.04 | 29.17    |
|                         | Share Capital (INR 10/- Paid up)                       | 213.13   | -     | -       | - | 213.13   | -     | -       | -     | 213.13   |
| Mrs.K.Vasumathi<br>Devi | Partly paid up shares (Rs 8.10 Paid Up)                | 27.86    | -     | -       | - | 27.86    | -     | 13.93   | -     | 41.79    |
|                         | Premium Received on Allotment of Partly Paid up Shares | 174.39   | -     | -       | - | 174.39   | -     | 87.20   | -     | 261.59   |
|                         | Salary Paid                                            | -        | 24.00 | -       | - | -        | 24.00 | -       | -     | -        |
|                         | Staff Loan                                             | 83.24    | -     | (56.06) | - | 27.19    | -     | (13.74) | 4.00  | 17.45    |
| Mr.P.Chandra Sekhar     | ESOP Compensation                                      | -        | 0.79  | -       | - | -        | 0.71  | -       | -     | -        |
|                         | Salary Paid                                            | -        | 32.54 | -       | - | -        | 47.71 | -       | -     | -        |
| Mr.Sreepal              | Salary Paid                                            | -        | 32.54 | -       | - | -        | 47.71 | -       | -     | -        |

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|                                              |                                                        |          |        |            |          |          |        |             |           |        |
|----------------------------------------------|--------------------------------------------------------|----------|--------|------------|----------|----------|--------|-------------|-----------|--------|
| Gulabchand Jain                              |                                                        |          |        |            |          |          |        |             |           |        |
| Mr.Ch.Sreenivasa Rao                         | Salary Paid                                            | -        | 21.00  | -          | -        | -        | 21.00  | -           | -         | -      |
|                                              | Staff Loan                                             | 2.50     | -      | (2.50)     | -        | -        | -      | -           | -         | -      |
|                                              | ESOP Compensation                                      | -        | 0.62   | -          | -        | -        | 0.56   | -           | -         | -      |
| <b>Relatives of key management personnel</b> |                                                        |          |        |            |          |          |        |             |           |        |
| Mrs. D Vasantha Lakshmi                      | Share Capital (INR 10/- Paid up)                       | 200.61   | -      | -          | -        | 200.61   | -      | -           | -         | 200.61 |
|                                              | Partly paid up shares (Rs 8.10 Paid Up)                | 26.23    | -      | -          | -        | 26.23    | -      | 13.11       | -         | 39.34  |
|                                              | Premium Received on Allotment of Partly Paid up Shares | 164.15   | -      | -          | -        | 164.15   | -      | 82.08       | -         | 246.23 |
| Mr. V Raghu Ram                              | Share Capital (INR 10/- Paid up)                       | 144.97   | -      | -          | -        | 144.97   | -      | -           | -         | 144.97 |
|                                              | Partly paid up shares (Rs 8.10 Paid Up)                | 18.95    | -      | -          | -        | 18.95    | -      | 9.48        | -         | 28.43  |
|                                              | Premium Received on Allotment of Partly Paid up Shares | 118.62   | -      | -          | -        | 118.62   | -      | 59.31       | -         | 177.93 |
| Mr. Sinha Satyanand Chunduri                 | Share Capital (INR 10/- Paid up)                       | 11.77    | -      | -          | -        | 11.77    | -      | -           | -         | 11.77  |
| Mrs. Durga Rani Chunduri                     | Share Capital (INR 10/- Paid up)                       | 149.41   | -      | -          | -        | 149.41   | -      | -           | -         | 149.41 |
| <b>Subsidiary</b>                            |                                                        |          |        |            |          |          |        |             |           |        |
| IKF Home Finance Limited                     | Loan given**                                           | 2,830.14 | -      | (9,548.50) | 8,630.59 | 1,912.22 | -      | (2,362.22)  | 450.00    | -      |
|                                              | Interest Received                                      | -        | 564.67 | -          | -        | -        | 54.20  | -           | -         | -      |
|                                              | Inter Corporate deposits taken ***                     | -        | -      | -          | -        | -        | -      | (26,600.00) | 26,600.00 | -      |
|                                              | Interest Paid                                          | -        | -      | -          | -        | -        | 261.37 | -           | -         | -      |

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|                                                                                                                                                               |                                                   |          |        |          |          |          |        |          |          |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------|--------|----------|----------|----------|--------|----------|----------|----------|
|                                                                                                                                                               | Direct Assignment                                 | -        | -      | (244.88) | 2,561.10 | 2,316.22 | -      | (352.88) | 1,523.88 | 3,487.22 |
|                                                                                                                                                               | Interest Receivable on Direct Assignment          | -        | 176.74 | (150.19) | -        | 26.55    | 247.12 | (250.82) | -        | 22.85    |
|                                                                                                                                                               | Investments in equity shares by IKF Finance Ltd., | 4,525.10 | -      | -        | -        | 4,525.10 | -      | -        | -        | 4,525.10 |
|                                                                                                                                                               | Service Fee Collected                             | -        | 44.25  | -        | -        | -        | 40.05  | -        | -        | -        |
|                                                                                                                                                               | Service Fee Paid                                  | -        | 1.00   | -        | -        | -        | -      | -        | -        | -        |
| <b>Enterprises significantly influenced by key management personnel or their relatives</b>                                                                    |                                                   |          |        |          |          |          |        |          |          |          |
| IKF Infratech Private Limited                                                                                                                                 | Non Convertible Debentures                        | -        | 63.20* | -        | -        | 63.20*   | -      | -        | -        | 58.20*   |
|                                                                                                                                                               | Interest Paid                                     | -        | (0.41) | -        | -        | -        | 6.80   | -        | 5.42     | 1.38     |
| <b>Enterprises in which Directors are interested</b>                                                                                                          |                                                   |          |        |          |          |          |        |          |          |          |
| SVR Finance & Leasing Private Limited                                                                                                                         | Trade Advance                                     | 79.30    | -      | (79.30)  | 50.00    | 50.00    | -      | (50.00)  | -        | -        |
|                                                                                                                                                               | Interest Paid                                     | -        | 0.37   | -        | -        | 0.37     | -      | -        | -        | -        |
| <b>Enterprises having a significant influence</b>                                                                                                             |                                                   |          |        |          |          |          |        |          |          |          |
| India Business Excellence Fund-IIA                                                                                                                            | Share Capital (INR 10/- Paid up)                  | 1,305.16 | -      | -        | -        | 1,305.16 | -      | -        | -        | 1,305.16 |
|                                                                                                                                                               | Share Premium                                     | 1,100.05 | -      | -        | -        | -        | -      | -        | -        | -        |
| 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 (INR 10/- Paid up)                  | 780.40   | -      | -        | -        | 780.40   | -      | -        | -        | 780.40   |
|                                                                                                                                                               | Share Premium                                     | 657.76   | -      | -        | -        | -        | -      | -        | -        | -        |

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**ANNEXURE XIII: LETTER FROM REGISTRAR AND TRANSFER AGENT**



**Bigshare Services Pvt. Ltd.**

306, Right Wing, 3rd Floor, Amrutha Villa, Opp. Yashoda Hospital,  
Somajiguda Rajbhavan Road, Hyderabad - 500 082.  
Email: bsshyd@bigshareonline.com • website: www.bigshareonline.com

**SEBI**  
REGISTERED CATEGORY I  
REGISTRAR & TRANSFER  
AGENT



Dated 20.03.2023

To  
The Managing Director  
National Security Depository Services Limited  
4<sup>th</sup> Floor, Trade World, A Wing  
Kamala Mills Compound  
Senapathi Bapat Marg  
Lower Parel  
Mumbai-400013

Dear Sir,

We hereby confirm that we have been appointed as R & T agent (Business Partner ID – IN200117 (BP ID) allocated by NSDL by M/s IKF Finance Limited –Listed unsecured NCD of Rs 70 Cr.

Yours faithfully

For Bigshare Services Pvt Ltd

S D PRABHAKAR  
Dy. General Manager

**CIN : U99999MH1994PTC076534**

**(An Associate Company of Transfer Online Inc., USA)**

**Regd. Office:** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. India.

**Corporate Office:** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059.

**Tel. :** +91 22 6263 8200 • **Fax :** +91 22 6263 8299 • **Email :** info@bigshareonline.com • **Website :** www.bigshareonline.com

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