IKF FINANCE

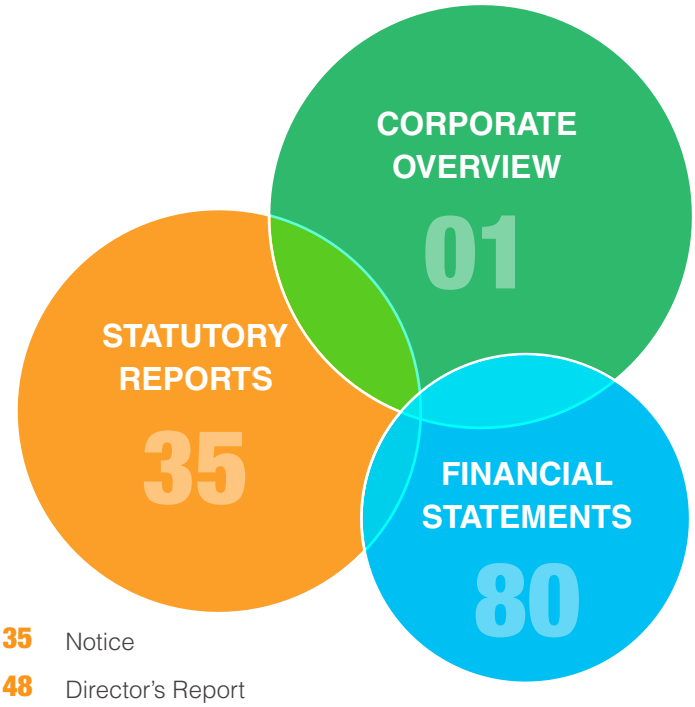
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Steady Strong Secure

ANNUAL REPORT 2023-24

IKF Finance Limited

What's Inside



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Steady Strong Secure

Amidst the rapidly evolving financial landscape, we strive to progress with strength and stability to meet the dynamic requirements of the customers while maintaining a secure foundation for their financial well-being. Recognizing the pivotal role of NBFCs to drive the economic momentum of the country, we are dedicated to creating lasting impact on our customer's lives, specially through bridging the credit gap for the financially underserved.

Our journey has been one of building a legacy rooted in efficiency and excellence. Over three decades of continuous efforts, we have positioned ourselves as one of the prominent NBFC players in the country, recognized not only for our expansive asset financing portfolio but also for our commitment to customer satisfaction. With 72,585 satisfied customers, our services have been acknowledged for the value they bring, enabling us to make a tangible difference in the lives of those we serve. This satisfaction is reflection beyond our past performance but a testament to the robust growth trajectory we continue to pursue.

In FY 2023-24, our assets under management crossed the significant AUM ₹ 3,775 crore mark, reflecting a stellar growth of 53.97% in FY 2023-24 on y-o-y basis. This achievement is a result of our continuous efforts to uphold the trust placed in us by our customers and partners. Our organized team, dedicated to realizing long-term objectives, has played a crucial role in elevating IKF Finance as a preferred partner for socio-economic growth. Our performance over the years has remained consistent, underpinned by efficient operating practices and a clear vision for the future.

What sets IKF Finance apart is the unique platform we have created for our stakeholders, where value enhancement is at the core of our operations. This commitment to continuous value returns has earned us a valuable reputation among our lending partners and diverse mix of borrowers. Our adoption of modern technology, combined with strong financial policies, an innovation-centric mindset, and robust risk management practices, ensures that we remain at the forefront of the finance sector. As we continue to integrate advanced technology, secure sensitive customer information, and offer tailored services, we stand ready to navigate the future with confidence, supported by our deep industry knowledge and a well-capitalized bench.

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

About IKF Finance

A legacy of creating value

IKF Finance, with a 30+ year legacy in asset financing, is a reputable Non-Banking Finance Company (NBFC) in India. We specialize in providing diverse and innovative financial solutions to accommodate the needs of financially underserved customers. Committed to excellence, we leverage technology to scale an agile business and drive financial inclusion.

At IKF Finance, we strategically focus on addressing the unique needs of self-employed individuals often underserved by traditional avenues.

Founded in 1991, we initially catered to serve the financial needs of small road transport operators. Expanding our portfolio to align with evolving financial aspirations, our diverse and customized offerings include loans for commercial vehicles, cars, MUVs, three-wheelers, tractors, and construction equipment, secured MSME loans and housing loans.

Guided by our skilled and dynamic leadership and being well capitalized, we continue to prioritize customer-centricity, delivering enduring stakeholder value. We have built a commendable reputation and successful relationships with over 72,585 borrowers and 40+ lending partners

Additionally, leveraging advanced digital technology helps drive operational excellence, high asset quality and simplify customer journeys, gaining a competitive edge.

With a stronghold in Southern India, we have expanded into Western and Central India with our extensive distribution network spread across 9 states and 165 branch locations.

Vision

To be one among the premier league of asset financing NBFCs by focusing on customer service and maintaining long-standing and fruitful relationships with all our stakeholders, be it lenders, shareholders, debenture holders, customers or business associates

Mission

To build strong, profitable relationships with a broad spectrum of stakeholders

Core Values

- Ethical business practices
- Business prudence
- Dedication
- Transparency
- Excellence in customer service

Pillars of growth

Unwavering commitment to

- Dedicated customer service
- Transparent business practices
- Cohesive team
- Secure financial policies
- Loyal customer base

At a glance

33
Years of operations

CARE "A" Stable
Credit rating

72,585
Active customers

9 States
Presence across

1,501
No. of employees

5,846
Active women customers

165
No. of Branches

FY 2023-24 report card

~ ₹ 3,775 Cr.
Assets under management

₹ 2,676 Cr.
Disbursement

₹ 77 Cr.
PAT

₹ 881 Cr.
Net worth

26.51%
CRAR

2.35%
Gross NPA

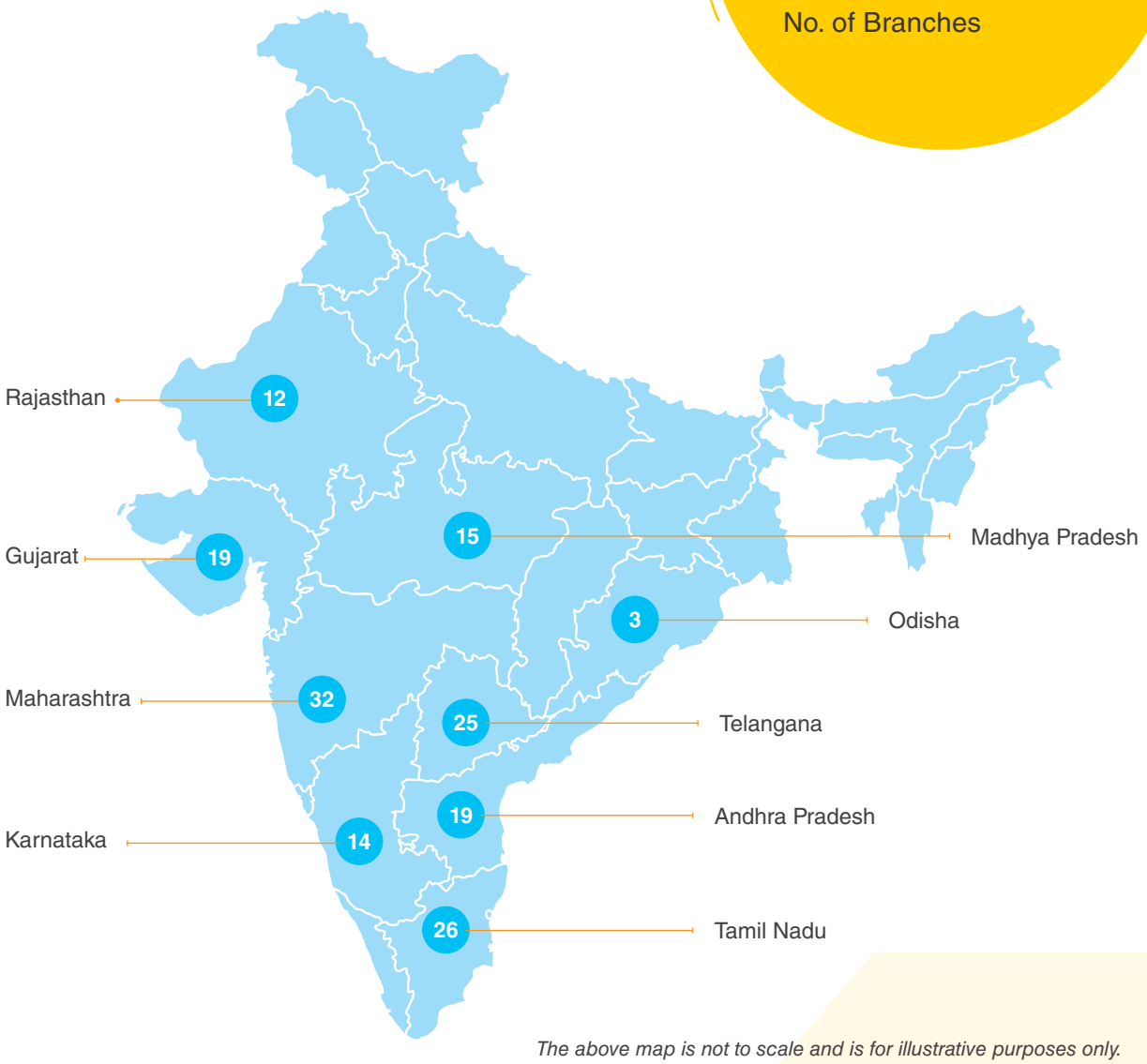
1.80%
Net NPA

Geographical Footprint

Where we operate

9
Our Presence across States

165
No. of Branches



The above map is not to scale and is for illustrative purposes only.

Key Associations

Partnership with key lenders across spectrum

40+
Lender partnership

40% lenders
> 10 years association with us

- Transparent Operations
- Strategic Business Growth
- Secure Financial Policies
- Robust Risk Management

Our Lenders

Public Sector Banks

State Bank of India
Central Bank of India
punjab national bank
Union Bank of India
Indian Overseas Bank
Bank of Baroda
Bank of India
UCO BANK
Indian Bank
Bank of Maharashtra

Private Sector Banks

HDFC BANK
SOUTH INDIAN Bank
WOORI BANK
FEDERAL BANK
AU SMALL FINANCE BANK
YES BANK
ujjivan SMALL FINANCE BANK
IDFC FIRST Bank
DCB BANK
kotak Kotak Mahindra Bank
IDBI BANK
Bandhan Bank
DBS
DhanlaxmiBank
KVB Karur Vysya Bank
Karnataka Bank Ltd.
Jana Small Finance Bank
IndusInd Bank
CSB Bank
AXIS BANK
SURYODAY A BANK OF SMILES

NBFCs

SUNDARAM FINANCE Enduring values. New age thinking.
NABKISAN FINANCE LIMITED
BAJAJ FINSERV
NORTHERN ARC
Mahindra FINANCE
TATA CAPITAL Count on us
MANAPPURAM FINANCE LIMITED
neo
Piramal Alternatives
mudra
POONAWALLA FINCORP
NABSAMRUDDHI FINANCE LIMITED
STCI Finance Limited

Financial Institutions

NATIONAL HOUSING BANK
sidbi
NIFI Capital

Product Portfolio

Our diverse credit solutions

Commercial Vehicle (CV) Loans

- Tailored for underserved segments like First-Time Users, Drivers-turned Owners, and Small Road Transport Operators
- Flexible loans with tenures up to 4 years, available for both new and pre-owned vehicles
- Hassle-free processing with minimal documentation and no hidden charges
- Personalized support throughout the loan journey, ensuring a smooth experience

Cars & Multi Utility (MUV) Loans

- Financing available for pre-owned, used, and new vehicles with repayment options up to 3-4 years
- Comprehensive coverage across all vehicle categories and brands
- Advanced technology for seamless processing and reduced turnaround times
- Transparent terms with no hidden fees, adaptable to various financial profiles

Construction Equipment Loans

- Specialized financing for a wide range of equipment, including Backhoe loaders and cranes
- Customized loan schemes with flexible tenures up to 4 years, supporting business growth
- Expert consultation to help select the best financing options
- Efficient processing to minimize business disruptions

Tractor Loans

- Accessible loans with flexible terms up to 4 years, focused on Tier II & III regions
- Comprehensive coverage including accessories, implements, insurance, and registration
- Competitive rates to promote agricultural growth
- Quick application process for timely financial assistance

2/3 Wheeler Loans

- Structured loans with tenures up to 3 years, tailored for two and three-wheeler purchases
- Technology-driven processing for fast, convenient service
- Transparent, competitive terms with no hidden charges
- Flexible options to suit different financial profiles

MSME Loans

- Diverse financing solutions for Micro, Small, and Medium Enterprises
- Flexible repayment terms up to 7 years, supporting various industries
- Accessible across urban and rural areas through an extensive branch network
- Rapid, transparent processing to ensure business continuity
- Expert consultation for navigating funding, expansion, and growth

Home Loans

- Home loans up to 3-50 Lakhs and tenure up to 5-20 years offered to help customers realize their home-owning dreams
- Hassle-free affordable housing loans available to the low and middle-income segment for home purchase, home construction, home improvement and loan against property through our vast numerous branches nationwide

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Journey Since Inception

Tracing our path of growth

1991

- Established as a Private Company
- Started operations with MCV & HCV financing

1994-1995

- Changed into a public limited company
- Public issue of ₹ 2.1 crore

1998-2003

- Issued Rights Issue of ₹ 2.3 crore
- Commenced Construction Equipment (CE) financing in 1998
- Issued Preferential Issue of ₹ 2.3 crore

2004-2010

- Established channel business arrangement with HDFC Bank
- Issued Preferential Issue of ₹ 8 crore
- Shifted focus on-book AUM growth

2012-2015

- Maiden PE investments from MOPE Investment Advisors Pvt. Ltd.
- Commenced SME financing
- Extended operations to Gujarat, Maharashtra and Madhya Pradesh
- AUM crossed ₹ 500 crore

2016-2017

- Secured license for Housing Finance
- Established IKF Home Finance as an independent entity
- Broadened operations in Rajasthan
- In 2016, credit rating was upgraded to "A-"

2018-2020

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

2021-2022

- Consolidated AUM crossed ₹ 2,143 crore
- Equity infusion by Promoters of ₹ 7.14 crore
- Commenced Co-lending with Bank of India

2023

- Consolidated AUM crossed ₹ 3,147 crore
- Accion-led equity infusion of ₹ 255 crore
- Commenced low ticket MSME product

2024

- Strategic partnership with Central Bank of India
- Consolidated AUM crossed ₹ 4,811 crore
- Equity Infusion of ₹ 120 crore by Accion LP
- Disbursement crossed ₹ 2,676 crore
- No. of Employees exceeded 1,500
- Expanded operations to the state of Odisha

Managing Director's Communique

The progress we have achieved underscores our credibility in generating value for our customers and reinforcing our strategic initiatives."

Dear Shareholders,

FY 2023-24 marks our 33rd Annual Report, highlighting our strategic advancements and stellar performance. This period has seen remarkable growth in our Assets Under Management (AUM) and steady increases in disbursements. Building on these key operational milestones, we have expanded our geographical footprint and improved our service delivery to reach a broader customer base. The progress we have achieved underscores our credibility in generating value for our customers and reinforcing our strategic initiatives.

The macroeconomic momentum

The global economy demonstrated remarkable resilience in 2024, achieving a growth rate of 3.2%.

Amidst this global resilience, India has emerged as the world's fifth-largest economy. Our country has recorded an impressive GDP growth of 8.2% in FY 2023-24, marking it as the fastest-growing major economy. This growth has been driven by increased public sector investments, a robust financial sector, and significant expansion in non-food credit. Investments in both physical and digital infrastructure have been pivotal in navigating challenges and ensuring sustained economic progress. With inflation at moderate levels and prudent government strategies in place, we are well-positioned to sustain this momentum and drive long-term growth.

Industrial progress

The financial services sector is a cornerstone of the nation's economic development, offering vital avenues for investment, lending, and capital raising. Non-Banking Finance Companies (NBFCs) have become crucial in this landscape, particularly for SMEs and those underserved by traditional banks. By adopting innovative tools and unconventional risk assessment methods, NBFCs have significantly boosted credit flow to MSMEs, catering to their unique needs. Despite competition from public and private banks, NBFCs have seen significant growth, driven by the expanding middle class, financial inclusion efforts, and supportive policy measures. The sector's credibility has further strengthened with large-scale digitalization and fintech integration. Recent regulatory changes by the Reserve Bank of India (RBI), such as increasing the risk weight for bank credit to NBFCs, are designed to manage risks and enhance asset quality. With an 18% growth in FY 2023-24 according to ICRA, the NBFC sector is poised to continue its upward trajectory, supporting the country's economic ambitions.

Strategical advancements

Our strategic focus has centered on the vehicle segment, encompassing both commercial vehicles (CVs), passenger vehicles (PVs) and Construction Equipment (CEs). During FY 2023-24, the CV segment experienced moderate growth, with record sales of 9.67 lakh units driven by significant Government infrastructure investments and

Our strategic focus has centered on the vehicle segment, encompassing both commercial vehicles (CVs), passenger vehicles (PVs) and Construction Equipment (CEs).

increased freight movement. The two-wheeler segment, on the other hand, saw a robust 13.3% growth, totaling 178.74 lakh units sold, with expectations of a CAGR of 10.29% by 2029. The three-wheeler segment also performed exceptionally, growing by 41.5% with sales of 6.91 lakh units, spurred by rising demand for last-mile connectivity and the adoption of electric vehicles. Alongside vehicle financing, we offer tailored MSME financing solutions to support entrepreneurial dreams and foster socio-economic development.

The sector's stellar growth has presented numerous expansion opportunities. We have strategically adapted by enhancing our

geographical reach, broadening our distribution network, and intensifying our digitalization efforts. Our focus on optimizing human resource management aims to boost operational efficiency and customer satisfaction. We are now emphasizing granular growth by developing dedicated product-level teams for retail lending to micro and small entrepreneurs who are mostly first-time borrowers. By prioritizing high-yielding retail loans for small and light commercial vehicles, we aim to drive substantial growth in our net income while continuing to build our portfolio in Heavy Commercial Vehicles, Construction Equipment, cars, and MSME loans. This targeted approach ensures sustainable and profitable growth.

Our net profit for the period increased to ₹ 76.97 crore, marking a significant improvement over the previous reporting period."

A significant highlight supporting our strategic growth is the receipt of ₹ 120 crore from Accion LP, represented by its investment manager Accion LP, in August 2023. This capital has been strategically allocated to enhance our technological infrastructure, streamline operations, and improve service delivery. Additionally, it has facilitated the expansion of our branch network to reach underserved markets and grow our customer base. We have also invested in developing new financial products and services to meet evolving customer needs and drive sustainable growth.

Government initiatives like "Gati Shakti" and improvements in the logistics network, aimed at reducing India's overall logistics cost from the current 14%+ to less than 10% of GDP, will boost efficiency and growth in the CV industry. Furthermore, the focus on manufacturing and core sectors through PLI and incentive schemes will increase opportunities in MSME and supply chain financing.

Performance overview

In FY 2023-24, we have delivered impressive performance, reflected in robust figures across our portfolio. This success is attributed to our well-balanced asset mix, strategic branch expansion, and increased productivity throughout the organization, which have collectively enhanced our revenue streams and secured superior asset quality. We have notably expanded our network by adding three new branches, including our first in Odisha, and deepened our presence in existing states to leverage economies of scale and boost profitability. As of date, our total branch count stands at 165.

A significant highlight of the year is our remarkable 53.97% year-on-year growth in Assets Under Management (AUM), reaching ₹ 3,775 crore compared to ₹ 2,452 crore in FY 2022-23. Disbursements also grew by 59.85% to ₹ 2,676 crore, up from ₹ 1,674 crore. Our net profit for the period increased to ₹ 76.97 crore, marking a significant improvement over the previous reporting period. The strength of our asset quality is evidenced by Gross NPAs (GNPA) and Net NPAs (NNPA) at 2.35% and 1.80%, respectively. Our stringent customer and asset underwriting procedures, along with a data-driven approach to loan collection and recovery, have effectively kept our NPAs within controlled limits.

Elevating efficiency through digital integration

Our digitalization initiatives have driven significant advancements across the organization. The enhancement in our new Loan Origination System (LOS) and the Loan Management System (LMS) has streamlined our lending processes, operational efficiency, data accuracy, and risk management, and also supported our MSME lending growth.

A significant highlight supporting our strategic growth is the receipt of ` 120 crore from Accion LP, represented by its investment manager Accion LP, in August 2023."

Implementing HRMS has revolutionized our HR functions, boosting productivity, data security, and employee satisfaction through streamlined processes and improved analytics. The migration of our LOS infrastructure to a leading cloud platform has further elevated our capabilities, offering greater scalability, cost-efficiency, and innovation. This move has accelerated loan processing, improved user experiences, and set the stage for future advancements with AI and machine learning. Collectively, these initiatives have strengthened our competitive edge and positioned us among the leaders in the industry.

Forward with optimism

We are well-positioned to seize growth opportunities across the automobile industry. With a strong focus on the retail segment and a commitment to superior customer service and asset quality, we are prepared to meet customers' financing needs. Robust demand, driven by Government initiatives and infrastructure development, supports our sustained growth and profitability. Our strategic emphasis on digital transformation, innovative financing solutions, and strong customer relationships will remain central to our success in the future.

Gratitude

In conclusion, I extend my heartfelt gratitude to our customers, financing partners, employees, Government authorities, and all stakeholders. Your continued support and trust in our capabilities have been instrumental in driving our growth and delivering value. We deeply appreciate your commitment and collaboration, which continue to inspire our journey toward excellence and mutual success.

Thank you for being an integral part of our achievements.

Best regards,

Vasumathi Devi Koganti
Managing Director

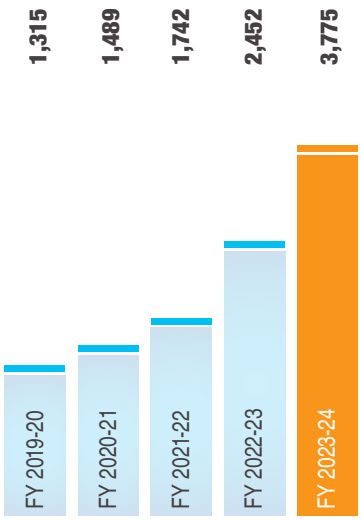
Financial Performance

Delivering steady performance

Our financial performance this year reflects the strength and stability of our strategic approach. By harnessing innovation and technology to fuel growth and expansion, we have consistently delivered strong results. This is exemplified by a notable 53.97% year-on-year increase in disbursements, underscoring our ability to achieve robust numbers and maintain steady performance throughout.

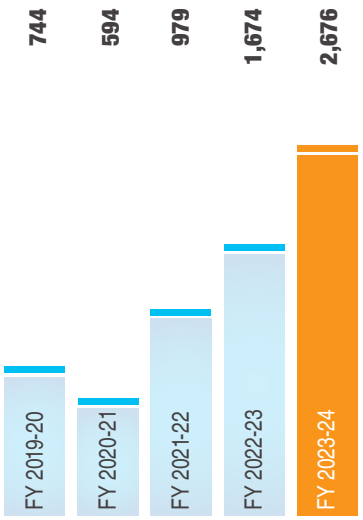
AUM

(₹ in Crore)



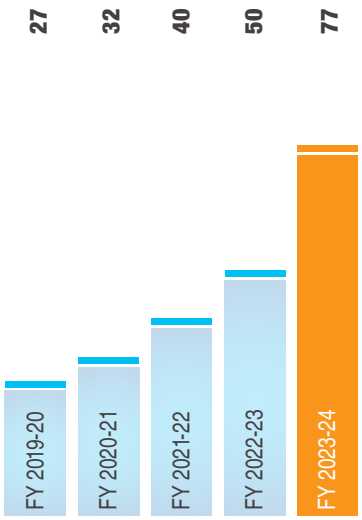
DISBURSEMENT

(₹ in Crore)



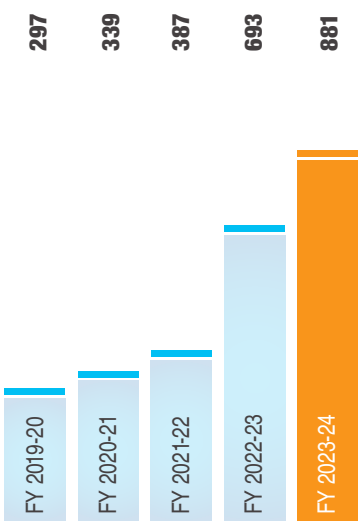
PAT

(₹ in Crore)



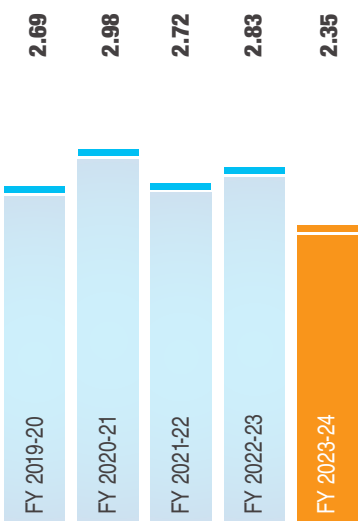
NET WORTH

(₹ in Crore)



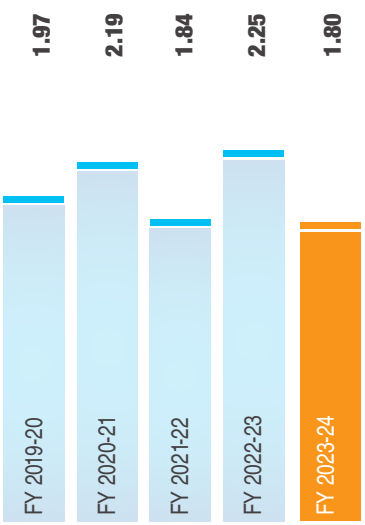
GROSS NPA

%



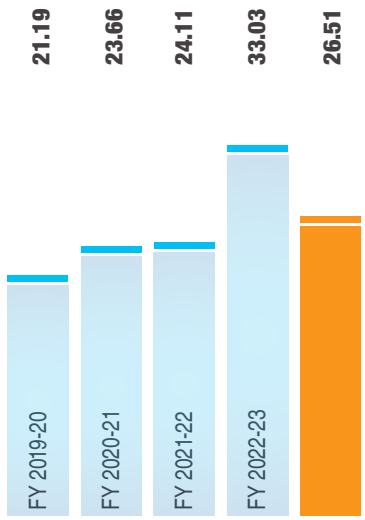
NET NPA

%



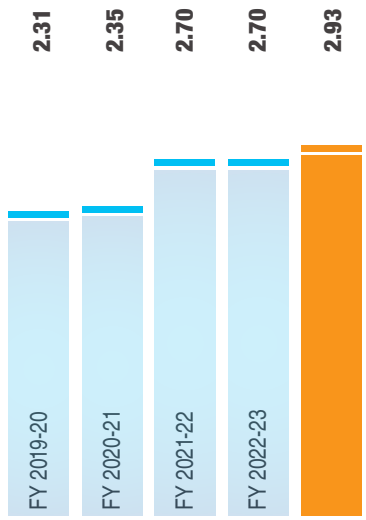
CRAR

%



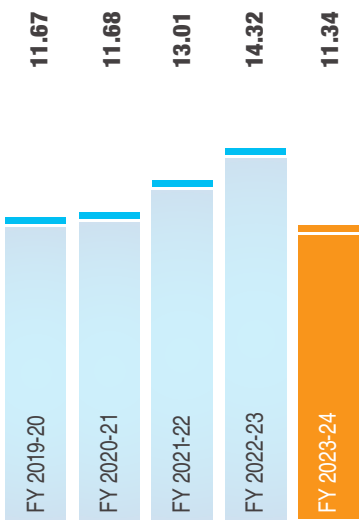
ROA*

%



ROE*

%



Note: Figures as per IND AS

** Based on Monthly Avg AUM*

*** Core ROE (Excluding investment in the subsidiary & year-end investment)*

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IKF Home Finance

Turning home aspirations into reality

In line with our customer-centric approach, we have focused on addressing the evolving credit needs of our diverse customer base. These includes the individuals seeking assistance to realize their dream of a living shelter. To meet the growing demand for home loans, we expanded our product portfolio to offer home loans through our subsidiary, IKF Home Finance.

Quick facts

- Established as an independent entity in FY 2015-16 to offer home loans for lower- and middle-income customer segments
- Subsequently acquired by IKF Finance in FY 2018-19
- Our home finance business has fulfilled home ownership dreams of more than 10,000 customers
- Stable growth trajectory indicating a 61.10% CAGR growth in AUM since inception

Home loan portfolio

- Home Purchase Loans
- Home Construction Loans
- Home Improvement Loans
- Loan Against Property

Strategic milestones

2016
- Started operations at Vijayawada, Andhra Pradesh

2017
- Commenced operations at Telangana, Maharashtra and Karnataka
- On-books AUM of ₹ 1.57 crore

2018
- Commenced operations in Tamil Nadu
- On-books AUM of ₹ 59.97 crore

2019
- Became a subsidiary of IKF Finance
- Loan disbursements crossed ₹ 100 crore

2020
- Received National Housing Bank (NHB) funding
- AUM crossed ₹ 200 crore

2021
- Commenced operations in Gujarat
- Access to SARFAESI Act
- AUM reached ₹ 288 crore

2022
- Capital infusion of ₹ 17.28 Cr. by Parent Company
- AUM crossed ₹ 429 crore

2023
- Capital infusion of ₹ 49 Cr. by Parent Company and promoters
- AUM crossed ₹ 690 crore

2024
- AUM crossed ₹ 1,000 crore mark
- Disbursement registered ₹ 468.82 Crore
- Net worth exceeded ₹ 213.15 Crore

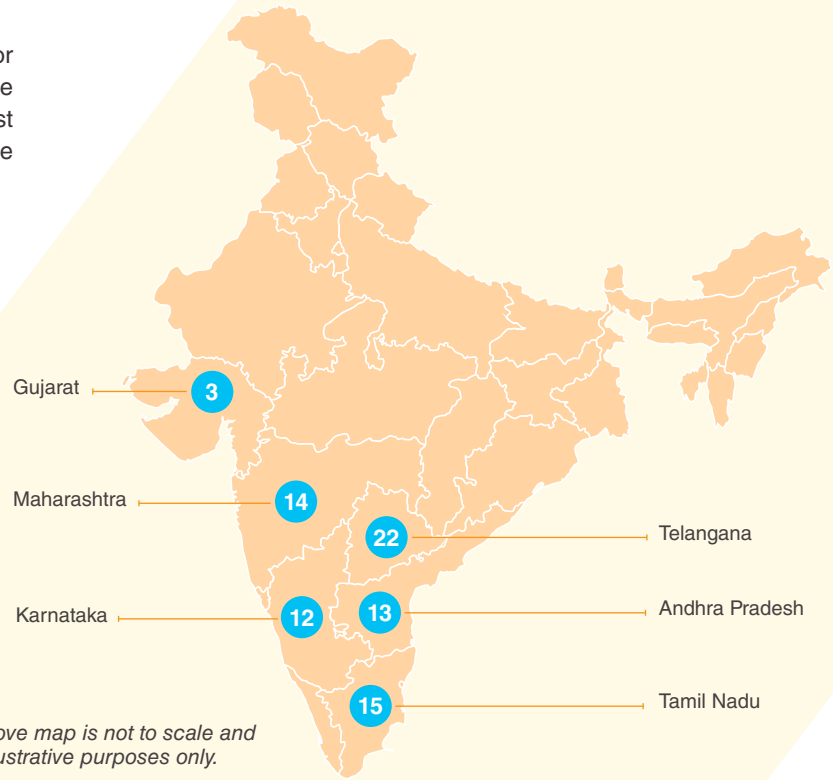
Increasing our service footprint

Towards fulfilling the home ownership dreams for a diverse customer segment, we strive to utilize our market expertise and strong customer trust to extend home financing in cities where we maintain a robust asset financing presence.

6
States

68
Cities

79
No. of Branches



The above map is not to scale and is for illustrative purposes only.

Progress in numbers

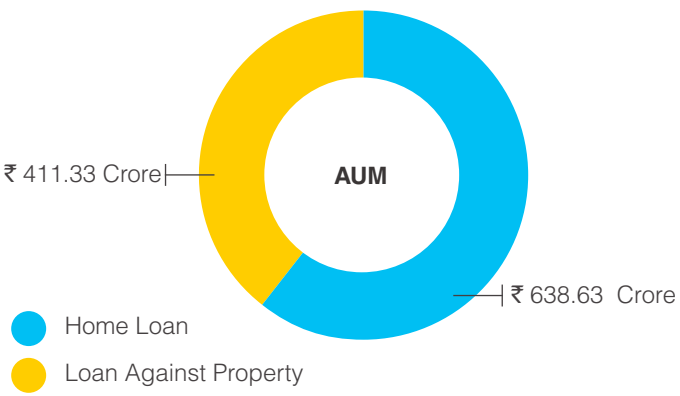
₹ 1,049.95 Crore

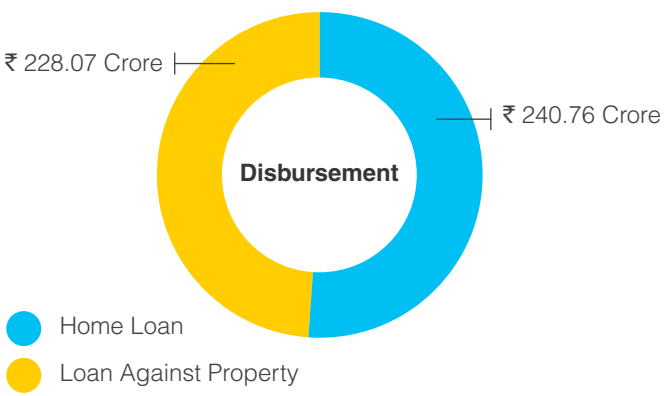
AUM as on March 31, 2024
↑ 50.83% from FY 2022-23

Key Performance Highlights

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Disbursement (₹ in Crore)	114.01	95.22	208.04	361.43	**468.82**
AUM (₹ in Crore)	228.32	288.20	429.40	696.10	**1,049.95**
Net Worth (₹ in Crore)	49.76	58.83	85.58	143.21	**213.15**
PAT (₹ in Crore)	7.95	9.05	10.02	10.72	**23.68**
AUM (Net Worth)	2.37x	4.49x	3.8x	4.86x	**4.93x**
ROA (on avg. AUM) (%)	4.19%	3.50%	2.87%	1.90%	**3.26%**
ROE (on avg. Net Worth) (%)	17.76%	16.67%	15.71%	9.37%	**13.29%**

FY 2023-24 portfolio revenue share





Digital Excellence

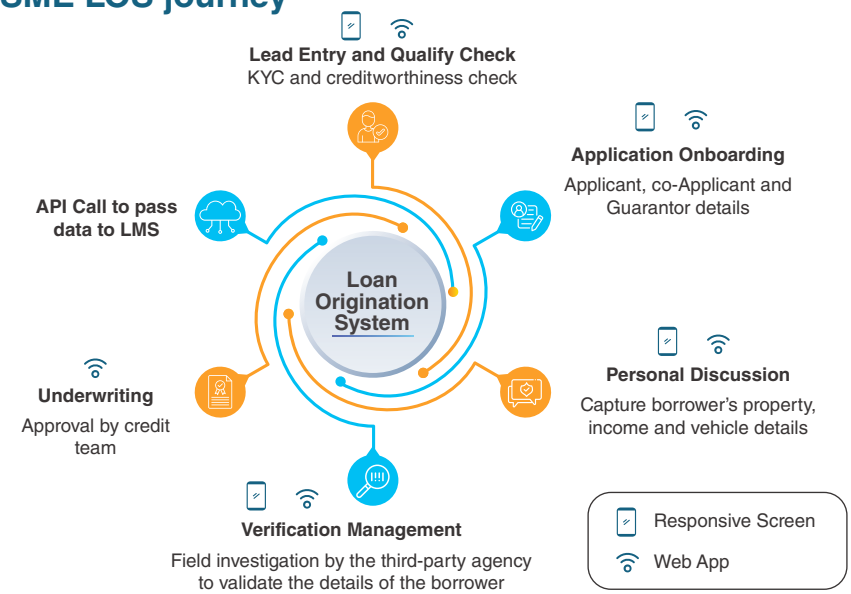
Cultivating a sustainable digital future

In our endeavor to constantly evolve to offer better value to our customers and stakeholders, we drive digital transformation across our business. Utilizing cutting-edge technologies, we strive for overall operational excellence, tailored fintech solutions and seamless customer experience.

Technology has been the key transformation in the finance industry. The integration has enabled better efficiency to serve the customers while enhancing the service quality of the players like us. Furthermore, it translated into realizing the ultimate goal of financial inclusion among the customer's lives and generate value for them.

At IKF Finance, we have undertaken three distinct approaches to enhance our digital frontier. These efforts are aimed at attaining leadership in the industry and to be the preferred partner to growth for our customers.

MSME LOS journey



Digital loan origination system

During the reporting period, we have undertaken a significant digital transformation by implementing a new Loan Origination System (LOS) integrated with our Loan Management System (LMS). This has streamlined our entire lending process. This integration, powered by robust APIs, has enhanced our operational efficiency, data accuracy, and risk management, marking a pivotal step in our journey to digitize our MSME lending operations. Moving forward, we plan to further refine this system, incorporating customer feedback and emerging technologies to stay at the forefront of MSME lending. This initiative aligns with our long-term strategy to foster financial inclusion and drive sustained growth in the markets we serve.

The new LOS streamlines the entire lending process, covering:

- **Lead Creation:** Captures and manages potential borrower data efficiently
- **Customer Onboarding:** Simplifies integration of new customers
- **Vendor Management:** Centralizes third-party relationships
- **Personal Discussion:** Documents critical client interactions
- **Underwriting:** Automates and standardizes loan evaluations

Key third-party API integrations include:

- KYC validation via Digio API
- Real-time CIBIL score generation using TransUnion
- CKYC search capabilities through Digio APIs
- Penny drop bank verification with Digio APIs

These integrations enhance customer data validation, reduce fraud, and strengthen underwriting. The system's integration has led to:

- Reduced manual data entry and errors
- Faster loan processing, boosting customer satisfaction
- Enhanced risk assessment with better data access
- Improved compliance with standardized processes
- Real-time loan pipeline visibility for better decision-making

Implementation of HRMS

Our strategic investment in implementing HRMS reflects our commitment to digital transformation and operational excellence. As we continue to grow, HRMS will be instrumental in managing our human capital with greater efficiency, fostering a more engaged workforce, and advancing our business objectives. This comprehensive platform has streamlined our HR processes by integrating multiple functions into a unified system.

The implementation of HRMS has significantly enhanced our HR operations, leading to a notable increase in overall productivity. The platform has bolstered data security and ensured compliance with data protection regulations. Employees have benefited from self-service features and quicker request resolutions, resulting in higher satisfaction levels. Additionally, HRMS has empowered better decision-making through comprehensive HR analytics and reporting.

Key Features and Benefits:

Employee onboarding: Streamlined the onboarding process, reducing time-to-productivity and minimizing paperwork with digital documentation and automated workflows

Payroll management: Automated payroll operations, ensuring accuracy, timeliness, and compliance, while significantly reducing processing time and errors

Asset management: Enhanced asset tracking for better resource allocation and cost reduction

Expense management: Simplified expense submissions and approvals, cutting processing time and improving transparency

Migration of loan origination system infrastructure

The recent migration of our Loan Origination System (LOS) for the vehicle business vertical from on-premises infrastructure to a leading cloud platform marks a pivotal step in our digital transformation journey. This strategic transition, aimed at achieving greater scalability, cost-efficiency, and innovation, has significantly enhanced our loan processing capabilities. Loan officers now experience a more intuitive interface, faster application processing, and real-time updates, which have collectively improved both employee satisfaction and customer service.

As we continue to advance, the cloud platform sets the stage for integrating AI and machine learning to further automate and refine our decision-making processes. This efficiency gain will lead us to strengthened our competitive position in the market even better.

Key benefits of our cloud migration:

- **Enhanced scalability:** Dynamic resource adjustment ensures optimal performance during peak loan volumes without upfront investments
- **Cost optimization:** The pay-as-you-go model has streamlined costs, allowing precise budgeting and freeing IT resources for strategic initiatives
- **Improved security:** Advanced encryption and compliance features have bolstered data protection, increasing customer confidence
- **Increased reliability and performance:** Reduced system latency and improved uptime have accelerated loan processing times

- **Innovation potential:** Access to advanced cloud services enables the introduction of new features and deeper market insights

Our People

Nurturing talent to empower success

Employees form the backbone of our Company, playing a pivotal role in our success. To foster a motivated and engaged workforce, we implement various employee-centric initiatives focusing on continuous learning and development and overall well-being.

1,501 (↑ 27%)

Total employees

Celebrating success and building a stronger future

In FY 2023-24, IKF Finance celebrated both achievements and future aspirations at our Annual Business Meet held at the scenic Aamby Valley. This milestone event brought together over 300 supervisory-level employees, serving as a platform to align our collective efforts with the company's forward-looking vision.

The highlight of the gathering was the recognition of excellence, where more than 250 awards were presented to acknowledge outstanding performance and long-term dedication. These included prestigious "5-year" and "10-year" service awards, as well as team accolades, reflecting our unwavering commitment to rewarding excellence and fostering a culture of recognition.

The introduction of traditional days fostered a deep sense of cultural pride, encouraging employees to celebrate their heritage, which in turn, enriched our organizational bond and enhanced team cohesion.

Our focus on employee well-being was underscored by organizing a comprehensive medical camp, reinforcing the belief that a healthy team is the foundation of a productive and resilient organization.

To further strengthen our workplace culture, we embraced the joy of community and tradition by celebrating key festivals such as Vinayaka Chavithi and Pongal. The introduction of traditional days fostered a deep sense of cultural pride, encouraging employees to celebrate their heritage, which in turn, enriched our organizational bond and enhanced team cohesion.

Environmental, Social, and Governance (ESG)

IKF Finance's ESG initiatives

IKF Finance stands at a pivotal moment in its commitment to embedding Environmental, Social, and Governance (ESG) principles into its core operations. Recognizing the growing importance of sustainable practices, we are laying the groundwork for comprehensive ESG initiatives that will define our future. Our dedication to sustainable business practices reflects our belief that ESG is not merely a regulatory requirement but a cornerstone of long-term success.

Establishment of the ESG Committee

In line with our strategic goals, IKF Finance has established a dedicated ESG Committee comprising four members: Mrs. Vasumathi Devi Koganti, Managing Director; Mr. Abhishek Agrawal, Nominee Director; Mr. Ramaraju Namburi, CEO; and Ms. Sujatha S., Deputy Company Secretary. This committee is responsible for integrating ESG factors into our business strategies and operational processes. The formation of the committee signifies the beginning of our concerted efforts to address sustainability-related matters within the organization. The ESG Committee advises the Board on ESG strategies, oversees the implementation of ESG policies, and ensures our practices align with global sustainability standards. To support its activities, we have implemented an ESG Committee Charter that provides a structured framework for the committee's operations and responsibilities.

To support its activities, we have implemented an ESG Committee Charter that provides a structured framework for the committee's operations and responsibilities.

Environmental Responsibility and GHG Emissions

Environmental responsibility is a critical aspect of our ESG strategy. Over the past two years, IKF Finance has been actively calculating and monitoring our Greenhouse Gas (GHG) emissions as part of our ongoing efforts to minimize our carbon footprint. We are committed to reducing energy consumption, limiting waste generation, and conserving natural resources across all branches. These initiatives are part of our broader goal to promote sustainability within our operations.

Commitment to socio-economic advancement

At the core of IKF Finance's mission is a commitment to socio-economic advancement. We provide financing to customers who typically do not qualify for bank loans due to a lack of stable income. By catering to the financial needs of First-Time Borrowers, Driver-Turned-Owners, Small Road Transport Operators, and Micro, Small, and Medium Enterprises (MSMEs), IKF Finance plays a crucial role in promoting financial inclusion. Our portfolio includes affordable financing for pre-owned commercial vehicles, construction equipment, commercial cars, tractors, and farm equipment, which together account for a significant portion of our lending as of March 31, 2024.

ESG Gap Analysis and Internal Audit

To ensure we are on the right path, IKF Finance has conducted an ESG gap analysis to identify areas for improvement. Additionally, we have incorporated the ESG scope into our internal audit processes, ensuring that our commitment to ESG is embedded throughout our organizational practices. This rigorous approach underscores our dedication to meeting the highest standards of responsible business conduct.

Strategic goals and stakeholder engagement

IKF Finance is committed to setting measurable targets that align with the principles of the National Guidelines on Responsible Business Conduct (NGRBC). These targets will serve as benchmarks for our ESG performance and guide our progress in the coming years. We are dedicated to fostering transparent dialogue with our stakeholders, fulfilling their expectations through clear communication while advancing our ESG initiatives.

ESG Gap Analysis and Internal Audit To ensure we are on the right path, IKF Finance has conducted an ESG gap analysis to identify areas for improvement.

Future goals and outlook

As we move forward, we will continue to monitor and improve our ESG practices, sharing comprehensive updates on our progress. Our journey towards a sustainable future is driven by our belief that responsible and ethical business practices are essential for the long-term success of IKF Finance. The establishment of the ESG Committee and the integration of ESG into our internal audits are key milestones in this ongoing commitment.

Corporate Social Responsibility

Fostering community development

At IKF Finance, we extend our commitment beyond the realm of financial services to actively contribute to community health and happiness. Through our CSR initiatives aim to empower lives and bring a meaningful difference to the communities and society where we operate.

4
Areas of social impact identified and worked upon

Jagruthi Foundation
Association to maximize our social impact

Healthcare

Our commitment to improving public health supported through addressing essential needs such as eradicating hunger, poverty, and malnutrition, while also promoting healthcare, sanitation, and access to safe drinking water. As part of our healthcare initiative, we distributed staples to 5,231 underprivileged individuals and provided umbrellas to 355 beneficiaries. We also facilitated medical treatment for those in need, ensuring access to necessary healthcare services. We invested in these healthcare initiatives.

Gender equality and empowerment

We actively promote gender equality and empowerment by setting up facilities for women, orphans, and the elderly, and working to reduce inequalities faced by socially and economically backward groups. To support differently abled individuals, we distributed tricycles to 326 beneficiaries, empowering them with enhanced mobility and independence. We invested in these gender equality and empowerment initiatives.

Education & skill development

We focus on promoting education, especially among children, women, the elderly, and the differently abled, to enhance their vocational skills and livelihoods. We supported the education of underprivileged students by providing books and covering their educational fees, ensuring that financial constraints do not hinder access to learning. We invested towards these initiatives.

Environment

We are dedicated to ensuring environmental sustainability by conserving natural resources and maintaining the quality of soil, air, and water, while also protecting flora and fauna. Our initiatives included projects focused on ecological balance, animal welfare, and agroforestry, contributing to a healthier and more sustainable environment. We invested in these environmental initiatives.

Governance

Board of Directors

Mr. Vupputuri Gopala Kishan Prasad

Founder & Chairman

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

Ms. Vasumathi Devi Koganti

Managing Director

Ms. K Vasumathi has been part of IKF Finance for the past 16 years. She heads the company's overall business, focusing on Credit & Risk, Systems, and Technology. With 11+ years of previous experience in IT and Telecommunications in the USA, she brings valuable expertise to her role. Her pivotal contributions involve IKF Finance's expansion across Western and Central India, upgrading IT infrastructure, and automating various processes.

Ms. Vasantha Lakshmi

Director & Managing Director of IKF Home Finance

Ms. Vasantha Lakshmi has been associated with IKF Finance for the last 13 years and currently serves as the Managing Director of IKF Home Finance. In her previous role, she managed the company's operations in specific states. Her extensive experience includes coordinating and administrative positions at a prominent US pharmacy chain.

Mr. Satyanand Sinha Chunduri

Director

Mr. Sinha S Chunduri is a specialist in the Diagnostic space. He has been engaged in the medical profession in the USA for over four decades. Apart from the medical profession, he is also associated with several medical institutions in USA as a consultant and director.

Mr. Satyanarayana Prasad Kanaparthi

Independent Director

Mr. K Satyanarayana Prasad, a qualified BE (Civil) MIGS, comes with 30+ years of expertise in Civil Engineering. His distinguished career includes over two and a half decades of dedicated service to the Government of Andhra Pradesh in various capacities. He has played a crucial role in the planning, designing, and successful execution of numerous prestigious projects in Andhra Pradesh.

Mr. Sunil Rewachand Chandiramani

Independent Director

Mr. Sunil Chandiramani is a versatile professional, an accountant by profession, a qualified technologist and an IT security specialist. With a remarkable 25-year tenure at Ernst & Young LLP, India's leading

professional services firm, he led India's largest advisory practice, comprising 3,000 professionals and played a pivotal role in developing the Global Innovation Strategy for EY Global. He also served as the Global Relationship Partner for the TATA Group.

His Financial Services experience spans 3 years of leadership in Financial Services Practice encompassing hands-on involvement in projects related to internal audits, risk management, implementation of credit, operational, and market risk processes, operational improvement, building risk-based models through analytics, program managing core banking implementations, digitization of processes, shared service centers' creation and IT security.

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

Mr. Kannan

Independent Director

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

His notable leadership roles include:

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

Contributions to various banking associations including the Indian Banks Association and the Foreign Exchange Dealers Association of India.

His illustrious banking career began at Bank of Maharashtra, where he ascended from the position of Probationary Officer to General Manager over a span of 34 years.

Kannan has enriched his expertise through diverse training programs and seminars globally, including sessions at Kellogg School of Management, Chicago, and engagements with regulatory bodies like the Financial Services Authority of the United Kingdom.

His educational qualifications include a B.Sc. (Hons) from Bangalore University, a P.G. Diploma in Business Administration from St. Josephs Institute Bangalore, and the CAIIB (Certified Associate of the Indian Institute of Bankers) certification.

Mr. Raman Uberoi

Independent Director

A seasoned professional with a proven track record in building and managing profitable businesses, adept at fostering strong franchises and leading large teams across diversified sectors. Possessing extensive knowledge of corporate India, industries, and regulatory frameworks, with over three decades of experience in analyzing and engaging with over 2,000 large and mid-sized corporates, financial institutions, regulators, and policymakers

He is currently engaged with CRISIL Limited as a Senior Advisor Government & Regulatory Relations as an Independent Director in PG Electroplast Limited, TruBoard Partners Private Limited, Dvara KGFS and as a Member of SEBI Market Data Advisory Committee and Expert Committee for MSMEs for the Tamil Nadu Government. He also consults with various multilateral organizations like ADB and World Bank.

His notable leadership roles include:

- Receivable Exchange of India (March 2017 – March 2023): Director.
- Principal Trustee Company Private Limited (July 2019 – June 2022): Director.
- Magma Housing Finance Limited (March 2020 – July 2021): Director.
- Piramal Capital & Housing Finance Limited (March 2017 – March 2020): Senior Advisor & Member Advisory Board.

- Aspiring Minds Assessments Private Limited (May 2016 – December 2019): Senior Advisor.
- CRISIL Limited (March 1992-April 2016): Various roles including President Ratings and Corporate Affairs, President CRISIL Risk & Infrastructure Solutions, Chief Operating Officer.

His educational qualifications include Associate Chartered Accountant, Institute of Chartered Accountants of India, 1991, B. Com (Honors), Hans Raj College, Delhi University, 1988.

Mr. Sethuraman Ganesh

Independent Director

Mr. Sethuraman Ganesh, a former Principal Chief General Manager at RBI, brings 30+ years of pan-India experience, including 10 years in senior management roles at the RBI. He holds a Master's Degree in English from Bangalore University and is a Certificated Associate of the Indian Institute of Bankers (CAIIB). He is a certified trainer in Neuro-Linguistic Programming (NLP) with vast interest in Training, Learning, and Development.

He currently serves as an Independent Director on the boards of two significant NBFCs - Sonata Finance Pvt Ltd. and Indel Money Ltd. Additionally, Mr. Ganesh is a Member of the Advisory Board at the Infimind Institute of Skill Development LLP. Previously, he has been a Non-Executive Director for BSS Microfinance Pvt. Ltd.

His diverse professional background includes directorship roles in NBFC MFIs, RBI nominee directorship on the boards of UCO Bank and Oriental Bank of Commerce, bank supervision, banking ombudsmanship, and RBI regional directorship. As former Principal of the Reserve Bank Staff College in Chennai and as a Faculty Member at the Bankers Training College in Mumbai, he has played a key role in the Management and Delivery of Training.

Mr. Abhishek Agrawal

Nominee Director

Mr. Abhishek Agrawal is the Managing Partner for Mumbai-based Accion Digital Transformation Fund (ADTx). He assumed the role of Nominee Director of Accion on the board starting on May 30, 2023.

At Accion, he played a key role in conducting investment activities and exits in financial inclusion while dealing with entrepreneurs to scale companies. In the past, he has held the positions of Chief Regional Officer (CRO) for Accion (Asia region) and Chief Financial Officer at FINCA International. He has also acted as an advisor to the Institute of Chartered Accountants (ICAI).

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

Mr. Vinit Mukesh Mehta

Nominee Director

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

Senior Management Team - IKF Finance

Mr. Rama Raju

Chief Executive Officer (MBA Post Graduate)

Mr. Rama Raju, former CEO of AML Finance (a wholly-owned subsidiary of Automotive Manufacturers Ltd), brings 30+ years of industry experience in Retail Asset Financing. Specializing in auto loans, commercial vehicles, construction equipment, and SME financing, he is recognized for his expertise in designing business plans, implementing strategies, driving profitability and top line, and mentoring teams to fulfill organizational goals. His successful management of larger teams and portfolios within the Retail Asset Financing sector and leading private sector banks and NBFCs, showcase his commitment to industry excellence.

Mr. Chakrapani Gollamudi

Chief Risk Officer

Mr. Chakrapani Gollamudi with a Bachelor of Science Degree and Risk Management Executive program at IIM Bangalore, brings 28+ years of expertise in credit, sales, and recovery. In the past, he has worked in diverse roles at Kotak Mahindra Bank, HDFC Bank, Citicorp Finance India Limited, and Ashok Leyland Finance. His 14-year stint at Kotak Mahindra Bank saw him in pivotal roles managing the Zonal Position for West and South regions for Commercial Vehicle (CV) products and serving as the National Credit Head for Used Vehicle loans.

He is well-versed in Siebel CRM, wherein played a pivotal role in successfully building and implementing customized functionalities for marketing, sales, and service modules nationwide. His other notable contributions include establishing a Credit Score Card-based approval system for retail CV loans. Additionally, he has proactively identified untapped markets and high-potential products, contributing immensely to overall growth and profitability

Mr. Chapalamadugu Sreenivasa Rao

Company Secretary & Chief Financial Officer (CS, CMA)

Mr. Chapalamadugu Sreenivasa Rao, a qualified Cost Accountant and Company Secretary, holds 18+ years of expertise in matters related to Cost Accounting and Company Secretaryship. His past experience encompasses key roles at BBM Bommidalla Group, Bhubaneshwar Power Limited, NATCO Pharma Limited, and Coastal Local Area Bank Limited.

Mr. Raghuram Kotamarthi

National Sales Manager (Masters)

Mr. Raghuram K, an MBA in business administration (with specialization in finance) is an industry veteran holding 26+ years of experience in asset financing. He is an expert in developing and executing sales enhancement strategies, achieving targets within budgeted parameters, sales, administration, and recovery. Having undertaken diverse roles at ICICI Bank, GE Capital, HDFC Bank, and others, Mr. Raghuram K holds a proven track record of tapping into new markets, generating and clientele while significantly contributing to increased organizational profitability.

Mr. Vaibhav Ratnakar Ashtekar

National Credit Head

Mr. Vaibhav Ratnakar Ashtekar brings 20 years of experience in the credit segment, specializing in underwriting. He has extensive experience in branch network management across multiple states including Gujarat, Rajasthan, M.P., Maharashtra, Mumbai, Nashik, and more. He manages CV/CE & Auto Loans. Previously, he has worked with Equitas Small Finance Bank Limited, HDB Financial Services Ltd, and Kotak Mahindra Bank Ltd.

Mr. H Srinivas

National Collections Head (Post Graduate)

Mr. H Srinivas is a seasoned professional holding 30+ years of expertise in collections, credit appraisal and team management across the Banking/Financial Services industry. His expertise includes efficient management of collection operations to minimize delinquency and achieve targets. He also has a deep knowledge of designing plans to improve collections and maintain relationships with third-party collection agencies, leading him to successfully manage operations and propel huge organic growth. His wealth of experience includes contributions to leading organizations such as Apple Credit Corporation Limited, CITI Group, REI Finance, and Midwest Leasing & Finance Ltd.

Mr. KSS Prasanna Krishna

National Legal Head

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

Senior Management Team - IKF Home Finance

Sudhir Kumar Seethepalli

National Credit Manager

Sudhir Kumar Seethepalli has over 20 years of experience in Mortgage Underwriting. He has extensively worked in Underwriting Secured and Unsecured products. He is been associated with IKF Home Finance for over 1 year and prior to this he worked in companies like Sundaram Home Finance Ltd., GE Money, ING Vysya Bank, Religare Finvest, Tata Capital Housing Finance, Yes Bank etc. handling different geographies in India. He is spearheading the credit function with the use of technology and data for providing a better experience to the customer in their loan journey with IKFHF. He is a Commerce Graduate with PGDBA in Finance from ICFAI Business School.

Yogesh Singh Chowhan

National Sales Manager

Yogesh Singh Chowhan is a seasoned sales and marketing professional with over 20 years of experience across the banking, financial services, and telecom sectors. Currently serving as National Sales Manager and oversees the Home and Loan Against Property (LAP) business, driving growth with innovative strategies and strong leadership. Previously, He held senior roles at Aavas Financiers Ltd., PNB Housing Finance Ltd., and Bajaj FinServ, where he was instrumental in establishing new branches, optimizing sales channels, and achieving significant financial milestones.

Yogesh Singh Chowhan 's expertise lies in sales management, relationship management, and business development. Recognized for his ability to lead large teams and deliver exceptional results, he has consistently been a top performer, winning multiple awards for sales excellence and business growth. He is also committed to continuous learning, having completed executive programs in business management from leading institutions.

Raghuveer Kamle

Head Risk Compliance

With nearly 18 years of expertise, Mr. Kamle specializes in developing Data Models and Risk Score Models, leading Business Intelligence initiatives, and providing strategic decision science support for businesses. Mr. Kamle having experience spans across various lending domains including Secured and Unsecured loans underwriting for Home Loans, loans against Property, Business Loans, Personal Loans, MSME, and Agricultural sectors.

Sriram Raghammudi

National Operations Manager

Sriram Raghammudi is the National Operations Manager of IKF Home Finance and comes with an extensive experience of 14 years in NBFC Operations, overseeing all aspects of Operations Management and Strategic planning. He is a seasoned operations leader with a proven ability to drive operational excellence and profitability and resilient in developing teams while improving processes and increasing productivity. He has strong analytical skills with a data-driven approach to problem-solving and decision-making. He was previously associated with Piramal Capital & Housing Finance Ltd and DHFL and held significant roles like Regional Operations Manager and Lead Disbursement Manager. He holds an MBA from SVKM's NMIMS and a Bachelor's degree in Electronics and Communication Engineering from Sathyabama University.

Abhishek Jain

Company Secretary

Abhishek Jain is an Associate Member of the Institute of Company Secretaries of India and holds a Bachelor's degree from Devi Ahilya Vishwavidyalaya, Indore. He has also completed a Diploma in Corporate Governance from the Institute of Company Secretaries of India. With extensive experience in secretarial and corporate legal functions, Abhishek's expertise spans compliance for listed companies, non-banking financial companies (NBFCs), housing finance, insurance broking, private and unlisted public companies, private equity funding, capital restructuring, takeovers, strategic investments, and capital raising through both public and private channels. Additionally, he is skilled in managing matters related to NCLT and SAT.

Giridhar Vellore

National Collections Manager

Giridhar Vellore holds an MBA and Finance Graduate degree from Madras University. As the Head of Collections Manager at IKF Home Finance, he oversees the Company's collections vertical. He brings 20+ years of extensive expertise in risk management and collections apart from possessing a wealth of experience in the finance sector. His expertise covers harnessing technology and implementing innovative collection models and scorecards aligned with organizational goals. His past roles include positions in renowned companies such as Fullerton India, American Express, and SBI Cards.

Corporate Information

Board of Directors

Shri. Vupputuri Gopala Kishan Prasad	:	Chairman & Executive Director
Smt. Indira Devi Vupputuri	:	Whole Time Director (upto 14.07.2023)
Smt. Vasumathi Devi Koganti	:	Managing Director
Dr. Satyanand Sinha Chunduri	:	Director
Shri. Satyanarayana Prasad Kanaparti	:	Independent Director
Shri. Vinit Mukesh Mehta	:	Nominee Director
Smt. Vupputuri Vasantha Lakshmi	:	Alternate Director to Dr. Satyanand Sinha Chunduri
Shri. Sunil Rewachand Chandiramani	:	Independent Director
Shri. Nageswara rao Yalamanchili	:	Independent Director (Upto 11.08.2023)
Shri. Gopala Krishna Gurappa	:	Independent Director (Upto 11.08.2023)
Shri. Sethuraman Ganesh	:	Independent Director (W.e.f 14.07.2023)
Shri. Abhishek Agrawal	:	Nominee Director (w.e.f. 30.05.2023)
Shri,Raman Uberoi	:	Independent Director (w.e.f. 13.02.2024)
Shri Kannan	:	Independent Director (w.e.f. 13.02.2024)

Key Managerial Personnel

Shri. Ch. Sreenivasa Rao	:	Chief Financial Officer and Company Secretary

Board Committees

Stakeholders Relationship & Redressel Committee:

1 Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
2 Shri. Satyanarayana Prasad Kanaparti
3 Shri Sunil Rewachand Chandiramani (w.e.f., 10.11.2023)
4 Shri Raman Uberoi (w.e.f., 01.07.2024)

Audit Committee:

1 Shri. Vinit Mukesh Mehta
2 Shri. Satyanarayana Prasad Kanaparti
3 Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
4 Shri Sunil Rewachand Chandiramani (w.e.f., 10.11.2023)
5 Shri Sethuraman Ganesh(w.e.f.,10.11.2023)
6 Shri Raman Uberoi (w.e.f., 01.07.2024)
7 Shri Kannan (w.e.f.,01.07.2024)

Corporate Social Responsibility Committee:

1 Shri. Vupputuri Gopala Kishan Prasad
2 Shri. Vinit Mukesh Mehta
3 Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
4 Shri. Satyanarayana Prasad Kanaparti (upto 01.07.2024)
5 Shri Kannan (w.e.f., 01.07.2024)

Nomination & Remuneration Committee:

1. Shri Satyanarayana Prasad Kanaparti
2. Shri. Raman Uberoi (w.e.f., 01.07.2024)
3. Shri. Vinit Mukesh Mehta
4. Shri. Sethuraman Ganesh (w.e.f. 10.11.2023)
5. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)

Management Committee:

1. Shri. Vupputuri Gopala Kishan Prasad
2. Smt. Vasumathi Devi Koganti
3. Shri. Satyanarayana Prasad Kanaparti (w.e.f. 30.05.2023)

Risk Management Committee:

1 Shri. Vupputuri Gopala Kishan Prasad
2 Smt. Vasumathi Devi Koganti
3 Shri. Vinit Mukesh Mehta
4 Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
5 Shri Raman Uberoi (w.e.f., 01.07.2024)

Asset Liability Management Committee:

1. Shri. Vupputuri Gopala Kishan Prasad
2. Smt. Vasumathi Devi Koganti
3. Shri. Vinit Mukesh Mehta
4. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
5. Shri. Namburi Rama Raju, CEO (w.e.f., 01.07.2024)
6. Mr. Chakrapani Gollamudi, Chief Risk Officer (w.e.f., 01.07.2024)
7. Mr. Vaibhav Asthekar, National Credit Head (w.e.f., 01.07.2024)

IT & Digital Transformation Strategy Committee (W.e.f., 30.05.2023)

1. Shri Satyanarayana Prasad Kanaparti (W.e.f., 10.11.2023 and up to 01.07.2024)
2. Smt. Vasumathi Devi Koganti
3. Shri Sunil Rewachand Chandirmani (w.e.f., 01.07.2024)
4. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Auditors

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

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

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

Registrar & Share Transfer Agents

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

Debenture Trustee

1. **IDBI Capital Trusteeship Services Limited**
   Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001, Maharashtra, India
2. **Vardhman Trusteeship Private Limited**
   3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House Kolkata B 700 001, West Bengal, India

Registered Office

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

Corporate Office

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

Bankers / Financial Institutions

Central Bank of India (Lead Bank)
Union Bank of India (Erstwhile Andhra Bank)
Indian Overseas Bank
IDBI Bank Limited
The Federal Bank Limited
Bank of India
Punjab National Bank
State Bank of India
HDFC Bank Limited
DCB Bank Ltd
AU Small Finance Bank
Bank of Baroda
Small Industries Development Bank of India
Bank of Maharashtra
Woori Bank Limited
DBS Bank Limited
Yes Bank Limited
Ujjivan Small Finance Bank
Utkarsh Small Finance Bank
AXIS Bank Limited
Suryoday Small Finance Bank
CSB Bank Limited
Jana Small Finance Bank
IDFC First Bank Limited
Dhanalakshmi Bank Limited
Karnataka Bank
Kotak Mahindra Bank
Karur Vysya Bank Limited
Indian Bank
Bandhan Bank Limited
UCO Bank Limited
Indusind bank

Notice

NOTICE is hereby given that the 33rd Annual General Meeting **("AGM")** of **IKF Finance Limited** will be held on Monday, 30th day of september 2024, at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh at 11.00 A.M., to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt:

   (a) the Audited Standalone Financial Statements for the financial year ended 31st March, 2024, together with the Reports of the Directors' and Auditors' thereon and

   (b) the Audited Consolidated Financial Statements for the financial year ended 31st March, 2024, together with the Report of Auditors' thereon.

   In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2024 together with the Reports of the Directors' and Auditors' thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024 together with the Report of Auditors' thereon be and are hereby received, considered, approved and adopted."

2. **To appoint a Director in place of Smt. Vasumathi Devi Koganti (DIN: 03161150),, who retires by rotation and, being eligible, offer herself for re-appointment and in this regard.**

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

   "**RESOLVED THAT** Smt. Vasumathi Devi Koganti (DIN: 03161150), who retires by rotation in accordance with Section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. **To appoint M/s. Mukund M Chitale & Co (Firm Regn No: 106655W) Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.**

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

   "**RESOLVED THAT** in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCA's) Statutory Auditors (SAs) of Commercial Banks (excluding RRBs) and NBFCs(including HFCs) issued by Reserve Bank of India (RBI) vide Notification Ref. No. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 (RBI Guidelines) and pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), M/s. Mukund M Chitale & Co (Firm Regn No: 106655W) Chartered Accountants, be and is hereby appointed as Statutory Auditors of the Company for a period of 3 (Three) years to hold office from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2027 on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon by the audit committee/Board of Directors and the Statutory Auditors."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or, Company Secretary be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

Special business:

4. **To revise the Borrowing Powers of the Company of ₹ 6000 Crores**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 180 (1) (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 is hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the

Companies Act, 2013 and/or eligible foreign lender and/or any entity/ entities and/or authority/ authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 6000 Crores (Rupees Six Thousand Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium that is to say, reserves not set apart for any specified purpose."

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

5. To renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors (hereinafter referred to as the Board, including any committee thereof for the time being exercising the powers conferred on them by this resolution), of the Company to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such assets and properties of the company, both present and future and in such manner as the Board may direct, in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to "the lending agencies") and/ or Trustees for the holders of debentures/ bonds/ other instruments to secure borrowing of the Company by way of loans/ issue of debentures/ bonds/ other instruments which may be issued for a sum not exceeding ₹ 6000 Crore (Rupees Six Thousand Crore only) over and above the aggregate of the paid up capital of the company, its free reserves and securities premium which have been or propose to be obtained from or privately placed with the lending agencies together with interest there on at agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses, and all other monies payable by the company to the trusties under the trust deeds and/or to the lending agencies under their respective agreements/loan agreements /debentures trust deeds entered into/to be entered by the company in respect of said borrowings."

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

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as amended and in force, in accordance with the memorandum and Articles of Association, the Board of Directors including any committee thereof for the time being of the Company be and is hereby authorized to issue, offer or invitation and allot secured/ unsecured, redeemable, non-convertible, listed / unlisted, senior/subordinated bonds/debentures/

Commercial Paper/ Tier II Debt/ Other debt securities ("Bonds") of value aggregating upto ₹ 3,000 Cr (Rupees Three Thousand Crores Only) through private placement offer letter(s) in one or more tranches in conformity and in compliance with the all applicable rules, regulation, directions made in this regard, as amended from time to time to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/ provident funds and individuals, as the case may be or such other person/persons as the board of directors may decide so.

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

For and on Behalf of the Board
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
Membership No.: ACS14723

Place: Vijayawada
Date: 13.08.2024

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No. 4 to 6 given above as Special Businesses in the forthcoming AGM, as it is unavoidable in nature.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated January 13, 2021, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

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

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

5. The Company has fixed 23rd September, 2024 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.

6. The Register of Members and Transfer Book of the Company will be closed from 23rd September 2024, to 30th September, 2024 (both days inclusive).

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

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

9. In terms of Section 152 of the Act, Smt Vasumathi Devi Koganti is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

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

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

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

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

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

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

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

(i) The voting period begins on Friday, 27th September, 2024 at 9.00 a.m. IST and ends on Sunday, 29th day of September, 2024 at 5.00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, the 23rd September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

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

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

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

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

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

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

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

(viii) Click on the EVSN 240819003 for the relevant IKF FINANCE LIMITED on which you choose to vote.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

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

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

3 The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutinizer's Report and submit the same forthwith within two working days conclusion of the AGM to the Chairman of the Company/meeting or a person authorised by him in writing, who shall countersign the same.

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

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

For and on Behalf of the Board
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
Membership No.: ACS14723

Place: Vijayawada
Date: 13.08.2024

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

Special Business

Item No: 4

As per Section 180(1)(c) of the Companies Act, 2013, to borrow money together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company, its free reserve and securities premium requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may be required to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities, to accommodate these requirements, it is proposed that the existing approved limit of ₹ 5000 Crores (Rupees Five Thousand Crores Only) be enhanced to ₹ 6000 Crores (Rupees Six Thousand Crores Only). Accordingly, the Board of Directors recommends the resolution for members' approval as a Special Resolution.

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

Item No. 5

As mentioned in Item No 4, it is proposed to revise the existing borrowing powers of ₹ 5000 crore (Rupees Five Thousand Crore only) to ₹ 6000 crore (Rupees Six Thousand Crore only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/ or immoveable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees. The approval of the shareholders is required as per Section 180(1)(a) of the Companies Act, 2013. In the circumstances, the Board recommends this resolution for approval of the Members by a Special Resolution

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

Item No. 6

The Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 and other applicable provisions, if any, of the Companies Act, 2013 of the Act deals with private placement of securities by a company. Sub-rule (1) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures, on private placement, the company shall obtain previous approval of its members by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures. In order to augment long term resources for financing, inter alia, for the strategic business expansion in future and for general corporate purposes, the Board, which term shall include any Committee constituted by the Board, may at an appropriate time, offer or invite subscriptions for NCDs, Bonds, Tier II Debt, Commercial Paper or any other debt securities on a private placement basis, in one or more tranches, upto an amount not exceeding ₹ 3,000 Crore, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, of the NCDs, Tier II Debt, Commercial Paper or any other Debt Instruments.

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

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

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

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

Annexure to the Notice

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

Name of the Director	Vasumathi Devi Koganti
DIN	03161150
Date of Birth	09.05.1975
Date of first Appointment on the Board	31.10.2006
Age	49 Years
Qualification	BE (Electronics & Communications), MBA (Global Management, USA)
Experience	Having nine (9) years of working experience in IT and Telecommunications in several US Companies. Associated with IKF Finance Limited as Executive Director since 2007
Terms and conditions of appointment	As per the resolution passed on 30.09.2022
Remuneration sought to be paid	₹ 6,00,000/- per month
Remuneration last drawn	₹ 6,00,000 Per Month
Relationship with other director/Manager and other KMP	1. Daughter of Sri.V.G.K.Prasad, Chairman 2. Sister of Mrs. Vupputuri Vasantha Lakshmi, Alternate Director
No of Meetings of the Board Attended during the FY- 2023-2024	7
No of Shares held in the Company	26,47,266 Equity Shares of ₹ 10/- each amounting to 3.77% of Paid up Share Capital of the Company.
Directorships of other Board	Director of IKF Home Finance Limited
Membership/Chairmanship of Committees of other Board	1

IKF FINANCE LIMITED

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

Form No. MGT- 11

PROXY FORM

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

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

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: .....

DP ID: .....

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

Name:.....

E-mail Id: .....

Address:.....

Signature: ..... or failing him

Signature: ..... or failing him as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on 30th September 2024 at 11.00 A.M., at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No	Special Businesses	For	Against	Abstain
1	To regularize appointment of Mr. Abhishek Agarwal (DIN 06760344) as a Director of the Company in capacity of nominee director representing Accion Digital Transformation Fund LP			
2	To adopt reinstated Articles of Association of the Company			

Signed this..... day of September 2024

Signature of shareholder..... Signature of Proxy holder(s) .....

Affix Revenue Stamp

Note:

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

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

IKF FINANCE LIMITED

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

(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

PROXY FORM

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

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

Name of the Member ..... Signature .....

Name of Proxy Holder ..... Signature .....

No. of share held .....

E-mail ID .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company, to be held on 30th September 2024 at 11.00 A.M at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010

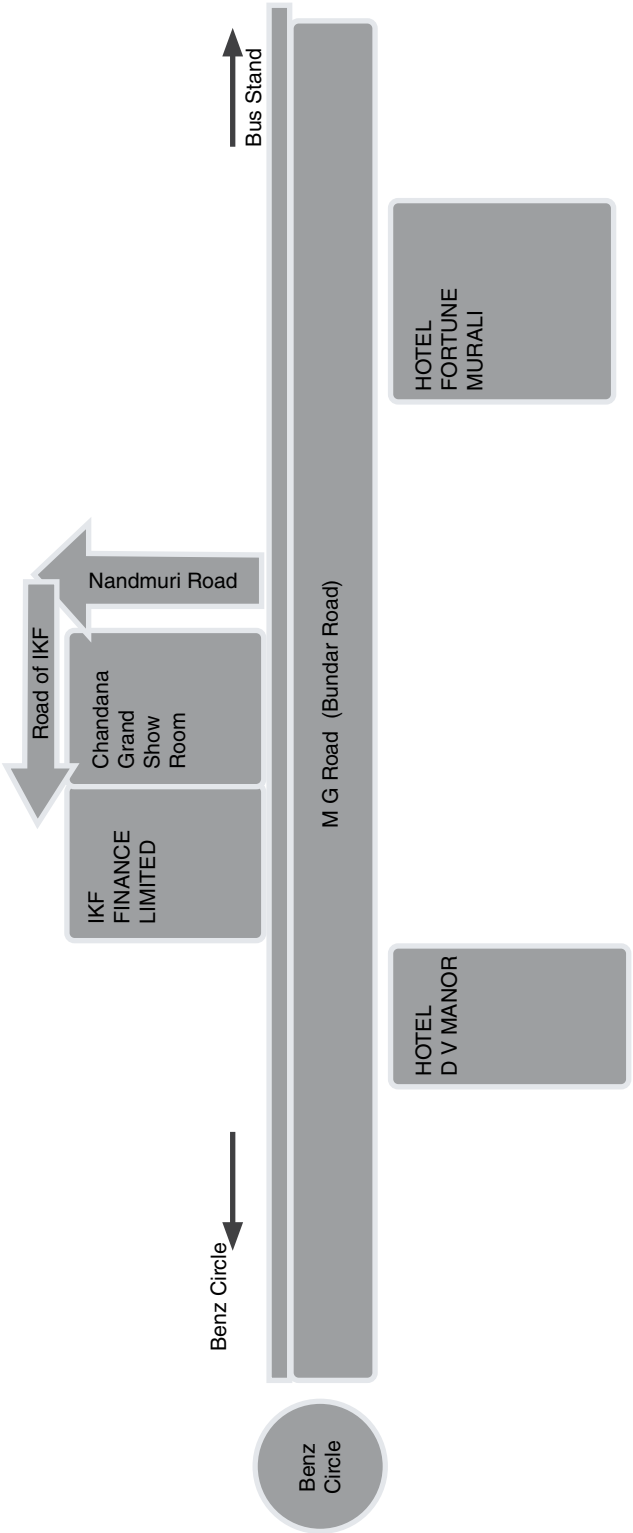
1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

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

IKF FINANCE LIMITED

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

Route Map



IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Directors' Report

To,
The members of IKF Finance Limited.

Your Directors' have pleasure in presenting the 33rd Annual Report together with the Audited Accounts for the financial period ended 31st March, 2024.

Financial Results:

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

(Amounts in lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	43,422.54	28,495.44	57941.84	37444.08
Other Income	325.04	164.24	658.34	400.63
Profit (loss) before depreciation, interest and tax	32,701.37	22,397.59	42646.10	27807.55
Depreciation/amortization	340.89	264.23	468.88	341.66
Finance cost	22,022.85	15,402.63	28476.10	19217.55
Impairment expense on loans	599.58	-44.98	843.03	43.38
Portfolio Loans & other balances written off	1,040.93	584.83	1,175.29	584.83
Profit (loss)before tax	10,337.63	6,730.73	13701.12	8248.33
Provision for tax/deferred tax	2,640.19	1,730.22	3520.61	2096.38
Profit (loss) after tax before exception item	7,697.44	5000.51	10180.51	6151.95
Other comprehensive income / (loss)	-3.26	9.86	-19.22	67.97
Net profit (loss) after exceptional items	7,697.44	5,000.51	10161.29	6219.93
Balance brought forward from previous year	20,382.66	16,622.42	22518.93	18183.90
Dividend on Equity Shares	0	0	0.00	0.00
Tax on dividend	0	0	0.00	0.00
Transfer to Statutory Reserve as required by Section 45-IC of Reserve Bank of India Act, 1934	1,539.49	1,000.10	2,172.43	1268.00
Transfer to General reserve	384.87	250.03	384.87	250.03
Transferred to Share Based payment reserve	1.08	-3.99	1.08	-4.00
Surplus carried to Balance sheet	5,769.82	3,760.24	7407.05	4335.03

Review of Operations:

Standalone:

The performance for the year ended March 31, 2024 has improved and the Revenue from operations has grown by 52% to ₹ 434.23 Cr from ₹ 284.95 Cr for the corresponding previous year and Net Profit increased to ₹ 76.97 Cr as against ₹ 50.00 Cr registering a growth of 54% for the corresponding previous year. During the year, the Loan Book has grown by 54% from ₹ 2137 Cr to 3291.04 Cr (before Impairment loss allowance). The total assets managed by the Company, including receivables assigned / securitized stood at around ₹ 3775 Cr as at March 31, 2024 as against ₹ 2452 Cr in the previous year thereby registering a growth of 54%.

Consolidated:

The Company's performance, along with its subsidiary's performance for the year ended March 31, 2024 on a consolidated basis is satisfactory. The Revenue from operations has increased to ₹ 579.42 Cr from ₹ 374.44 Cr and Net Profit increased to ₹ 101.81 Cr from ₹ 61.52 Cr registering a growth of 65 % for the corresponding previous year.

Future Outlook:

Global Economic Scenario

The global economy has exhibited remarkable resilience despite facing repeated and overlapping shocks, alongside unprecedented monetary tightening measures. Growth in the US and several key emerging market economies (EMEs) has surpassed expectations, even as manufacturing activity remained subdued, and the services sector exhibited strength. In 2023, the global economy grew by 3.1%, but a slowdown to 2.9% is anticipated in 2024. While headline inflation has decreased across countries, core and service inflation have declined more gradually due to persistent labour market tightness. Major central banks in advanced economies have maintained policy rates to align inflation with targets. Global crude oil prices have remained volatile, and any escalation in geopolitical conflicts could further disrupt the oil market, impacting both inflation and economic growth. Despite easing inflation, the global economy is expected to face tighter credit conditions and increased pressure on the business sector, potentially leading to slowdowns in hiring and expenditure. The economic rebound in 2025 will largely depend on central banks' ability to ease economic constraints as inflation indicators approach their targets.

Indian Economic Scenario

India has solidified its position as the world's third-largest fintech economy and has advanced significantly in global stock markets. Despite global economic uncertainties, India's GDP grew by 8.2% in FY 2023-24, driven by increased public sector investments, a resilient financial sector, and significant growth in non-food credit. India has shown resilience and progress through timely policy interventions aimed at ensuring macroeconomic stability and revitalizing both financial and non-financial sectors. Significant investments in robust physical and digital public infrastructure have enabled the country to navigate challenges and ensure sustained economic progress. Looking forward, India is poised to remain the world's fastest-growing major economy, with GDP growth expected to reach nearly 7% in FY 2024-25. This growth is likely to be driven by robust domestic demand, private consumption, investment, and government reforms.

Indian Financial Services Sector

India's financial services sector is undergoing rapid expansion, marked by robust growth among existing firms and the entry of new players. The sector includes insurance companies, commercial banks, cooperatives, non-banking financial companies (NBFCs), mutual funds, and more. NBFCs have emerged as critical pillars of financial support, particularly for SMEs and those traditionally underserved by conventional banking institutions. Despite competition from public and private sector banks, NBFCs have demonstrated agility and efficiency, leveraging technology to enhance operational efficiency, elevate customer experiences, and ensure compliance with regulatory standards. NBFCs have played a significant role in boosting credit flow to MSMEs by adopting innovative tools and unconventional risk assessment methods tailored to the unique needs of small businesses. The sector has also witnessed a transformative shift with the growing influence of digital technologies, reshaping its growth trajectory and enabling NBFCs to compete effectively with larger institutions.

Performance in Commercial Vehicles:

The commercial vehicle sector recorded moderate growth in FY 2023-24, with a 0.6% increase in volume. However, projections from ICRA suggest a potential decline of 4-7% in commercial vehicle volume growth for FY 2024-25. Despite this projection, sales of commercial vehicles reached record highs of 9.67 lakh units in FY 2023-24, driven by substantial government investments in infrastructure and increased freight movement. Although a slowdown in demand for medium and heavy commercial vehicles (MHCVs) and light commercial vehicles (LCVs) may occur in FY 2024-25, the long-term outlook remains promising. This optimism is supported by a robust macroeconomic landscape, ongoing infrastructure projects, and expanding freight demand.

Performance in Passenger Vehicles

The Indian passenger vehicle market experienced a surge in demand, particularly for utility vehicles, in FY 2023-24. The segment achieved record sales of over 42.18 lakh units, driven by new model launches and strong demand for SUVs. Electric vehicles (EVs) also contributed to this growth, with electric cars accounting for around 6% of total EV sales nationwide. As more OEMs plan to introduce new electric vehicles tailored to the domestic market, there is significant potential for increased EV adoption and overall growth in the passenger vehicle segment. The upcoming launches of utility vehicles and new models are expected to further drive growth in the Indian passenger vehicle market.

Performance in Two-Wheelers and Three-Wheelers

The two-wheeler market in India witnessed substantial growth of 13.3% in FY 2023-24, with 178.74 lakh units sold, and is projected to grow at a CAGR of 10.29% by 2029. Economic prosperity and rising disposable incomes, along with demographic shifts favouring personal mobility solutions, have fuelled demand in this segment. Electric two-wheelers (e2Ws) saw a remarkable 33.3% increase in sales compared to the previous year. The three-wheeler segment also performed exceptionally well, with a growth of 41.5% and total sales of 6.91 lakh units. This growth is driven by increasing demand for last-mile connectivity and the adoption of electric vehicles in both urban and rural areas.

Performance in Construction Equipment

The construction equipment industry plays a pivotal role in driving economic development by enabling infrastructure growth. Government initiatives like the National Infrastructure Pipeline (NIP), and the PM Gati Shakti Master Plan have created numerous opportunities within the construction sector. The Indian construction equipment market is expected to reach USD 10.90 billion by 2029, registering a CAGR of 8.30%. The improvement in road construction infrastructure, increasing urbanization, and higher investment in infrastructure activities are key factors contributing to growth in this sector.

Performance in MSMEs

The MSME sector in India holds a crucial position in employment generation and significantly contributes to the country's GDP, accounting for 40% of industrial production and 42% of exports. Despite supportive government initiatives, a credit gap of ₹ 25 trillion persists, which NBFCs can address through collaborations with fintech firms and advancements in digital technologies. The MSME sector has been a key driver of growth for NBFCs, particularly in underbanked regions. By offering tailored products and digital solutions, NBFCs have played a significant role in enhancing credit flow to MSMEs and supporting their growth.

Outlook for IKF Finance in FY'25:

Looking ahead to FY'25, your company is well-positioned to capitalize on growth opportunities across all major segments of the automobile industry. The company's continued focus on the retail segment, coupled with its commitment to providing superior customer service and maintaining asset quality, will enable it to meet the financing needs of clients in commercial vehicles, passenger vehicles, two-wheelers, three-wheelers, and construction equipment. With robust demand expected in these segments, driven by government initiatives and infrastructure development, your company is confident in its ability to sustain growth and profitability. The company's strategic focus on digital transformation, innovative financing solutions, and strong customer relationships will continue to be the foundation of its success in FY'25 and beyond.

Risk Management & Credit Monitoring:

Overview of Risk Management

At IKF Finance, risk management is a critical component of our overall business strategy. We recognize that the ability to identify, assess, and mitigate risks is essential to sustaining growth and profitability. In an increasingly dynamic and complex financial environment, our approach to risk management is both proactive and comprehensive, ensuring that all potential risks are systematically identified, evaluated, and managed in alignment with our strategic objectives.

Our risk management framework is built on a foundation of governance structures, policies, and analytical tools. This framework is designed to address a wide range of risks, including credit, market, operational, and liquidity risks. By continuously refining our risk management processes and leveraging the latest technological advancements, we aim to minimize potential losses while maximizing opportunities for growth.

Credit Risk Management

At IKF Finance, credit risk management is a cornerstone of our business, with a focus on safeguarding the quality of our loan portfolio through meticulous underwriting and ongoing monitoring. We have adopted a two-pronged approach to credit risk management that involves the separate evaluation of both the customer and the asset.

Customer Underwriting

Our customer underwriting process is designed to assess the creditworthiness of borrowers. We leverage advanced technology to authenticate and verify customer information, ensuring the identification of genuine customers. We use automated verification tools to evaluate the stability and repayment capacity of potential borrowers. By employing these cutting-edge technologies, we minimize the risk of fraud and enhance the accuracy of our credit assessments.

Asset Underwriting

Our asset underwriting begins with the preparation of stagewise asset grids, developed through a rigorous scientific process. These grids take into account several key factors, including vehicle population, resale value, and the competitive landscape. This comprehensive approach allows us to accurately gauge the current market value of each vehicle, ensuring that our assessments are grounded in real-time data and market trends. Asset valuation is

external and is done through Mahindra Auto Inspect for PAN India. These valuations are critical in fixing the loan-to-value (LTV) ratios, ensuring that our exposure is aligned with the current value of the underlying collateral.

Use of Technology

We have integrated advanced technological tools into our credit risk management framework to enhance the precision and efficiency of our underwriting process. Technology plays a crucial role in identifying genuine customers, conducting real-time credit checks, and partially automating the decision-making process.

Operational Risk Management

Operational risk management is integral to maintaining the resilience and efficiency of our operations. We have established comprehensive policies and procedures to manage operational risks, including those related to internal processes, systems, human resources, and external events. Our risk management framework is supported by a strong internal control environment, regular audits, and continuous monitoring of key risk indicators.

Market and Liquidity Risk Management

Market and liquidity risks are managed through a well-defined framework that includes regular monitoring of market trends, liquidity positions, and interest rate movements. We maintain adequate liquidity buffers and have contingency plans in place to address any potential disruptions in our funding sources. Our asset-liability management (ALM) committee regularly reviews our liquidity and interest rate risk exposures to ensure that they remain within acceptable limits.

Technology and Cyber Risk Management

As we continue to invest in digital transformation, managing technology and cyber risks has become increasingly important. We have implemented cybersecurity measures to protect our systems and data from cyber threats. Regular vulnerability assessments, penetration testing, and employee training programs are conducted to enhance our cybersecurity posture.

At IKF Finance, risk management and credit monitoring are central to our commitment to delivering sustainable growth and safeguarding stakeholder interests. Our comprehensive risk management framework, coupled with our proactive credit monitoring practices, ensures that we are well-equipped to navigate the evolving financial landscape. As we move forward, we will continue to enhance our risk management capabilities, leveraging technology and data analytics to stay ahead of emerging risks and capitalize on new opportunities.

Corporate Governance:

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

Management's Discussion and Analysis:

Strategic Focus and Growth Strategy

At IKF Finance, our strategic focus for FY'25 will shift towards achieving product focussed granular growth, with a heightened emphasis on creating a separate product level manpower on retail lending to micro and small entrepreneurs. We believe that by prioritizing high-yielding retail loans such as those for small commercial vehicles and light commercial vehicles we can accelerate the growth and continue to build Heavy Commercial vehicle, Construction Equipment, car and Loans to MSMEs. This targeted approach allows us to concentrate on more profitable segments, ensuring sustainable and substantial growth in our net income.

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

Commitment to Digitalization and Customer-Centric Solutions

In line with our strategic priorities, we remain committed to offering need-based financial solutions, underpinned by our ongoing dedication to digitalization. This focus on digital transformation enhances the customer experience, streamlining our processes and making it easier for our clients to access financial services. Our transparent communication practices empower customers to make informed decisions, reinforcing our reputation as a trusted and preferred lender in a competitive landscape.

The trust our customers place in us is evidenced by the outstanding performance of our core loan products over the past year, resulting in a significant 54% increase in AUM compared to FY 2023-24. This growth highlights the success of our strategic focus on high-yielding segments and our ability to meet the financial needs of underserved markets effectively.

Liquidity Management

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

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

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

Credit Rating of Securities:

Name of the Credit Rating Agency	Borrowing Instrument	Amount Rated (in crores)	Date of Rating	Rating Assigned	Rating Valid Till	Whether New/ Renewal/ Reassigned/ Withdrawn
CARE	Long Term Bank Facilities	2600	21-03-2024	CARE A	20-03-2025	renewal
CARE	Subordinate Debt	165	21-03-2024	CARE A	20-03-2025	renewal
CARE	NCDs	270	21-03-2024	CARE A	20-03-2025	renewal

Resource Mobilization

During the year under review, the company strategically enhanced its resource mobilization efforts while continuing to adhere to its status as a non-deposit-taking Non-Banking Financial Company (NBFC) in compliance with the Reserve Bank of India's guidelines and the Companies (Acceptance of Deposits) Rules, 2014.

Working Capital Management:

The company successfully reduced its dependence on cash credit limits by raising term resources, effectively managing its Asset-Liability Mismatch (ALM). Moving forward, the company plans to increase its cash credit utilization proportionately in alignment with the growth in term resources.

Term Loans:

The company mobilized significant term loans from various financial institutions, reflecting its robust banking relationships and the confidence of lenders in its financial stability and growth prospects.

Commercial Paper:

No commercial paper was issued during the year, aligning with the company's strategic resource allocation.

Non-Convertible Debentures (NCDs):

The company successfully raised funds through private placements of Non-Convertible Debentures (NCDs) from select financial institutions. These funds contribute to the company's capital structure, enhancing its ability to finance operations and growth initiatives.

Securitization and Assignment:

During the year, the company effectively assigned a portion of its vehicle loan receivables, further optimizing its financial resources and liquidity.

Borrowing Profile:

The company maintained a diversified borrowing profile, primarily leveraging bank borrowings, along with support from NBFCs, Financial Institutions, and NCDs. This approach has allowed the company to access low-cost funds, ensuring a stable and cost-effective capital base for ongoing operations and expansion.Securitization / Assignment of Loan Receivables:

Capital Adequacy:

The Capital to Risk Assets Ratio of your company is 26.51% as on 31.03.2024, well above the minimum of 15% prescribed by the Reserve Bank of India, of which Tier I Capital constituted 22.67% and Tier II constituted 3.84%.

Dividend:

Your Directors' have not recommended payment of dividend for the financial year ended 31st March, 2024 since it is proposed to retain the same in the business.

Transfer of unclaimed dividend to Investor Education and Protection Fund:

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

Share Capital:

a. **Authorized Share Capital:** The Authorised Share Capital of the Company stood at ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores only) divided into 8,00,00,000 (Eight Crore only) Equity Shares of ₹ 10/- (Rupees Ten only) each and 25,00,000 (Twenty Five Lac only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each,

b. **Paid up Share Capital:** The total Paid up Share Capital of the Company was increased to ₹ 70,15,64,450 as on 31.03.2024 consisting of ₹ 7,01,56,445 fully paid equity shares of ₹ 10/- each as against ₹ 64,57,50,500 consisting 6,45,75,050 fully paid shares of ₹ 10/- each as on 31.03.2023. During the year the Company has raised capital of ₹ 1,19,99,99,925 (including premium) by allotting new 55,81,395 fully paid equity shares of ₹ 10/- each.

Compulsorily Convertible Preference Shares.

There are no Compulsorily Convertible Preference Shares outstanding as on 31.03.2024

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

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

d. **Buy Back of Securities**

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

e. **Sweat Equity**

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

f. **Bonus Shares**

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

g. **Employees Stock Option**

The Board of Directors has granted total 5,62,860 stock options to the eligible employees at a price of ₹ 120/- (Rupees One Hundred and Twenty only) per share during the FY 2018-19.

As on 31st March, 2024, 1,46,800 options vested and outstanding.

Disclosure as required under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 are as below:

(a) options granted	5,62,860
(b) options vested	1,46,800
(c) options exercised	Nil
(d) the total number of shares arising as a result of exercise of option	Nil
(e) options lapsed	4,16,060
(f) the exercise price	₹ 120/-
(g) variation of terms of options	NA
(h) money realized by exercise of options	NIL
(i) total number of options in force	1,46,800
(j) employee wise details of options granted to:	
(i) key managerial personnel	Ch Sreenivasa Rao, CFO & Company Secretary- 15,180 Options
(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Chakrapani Gollamudi, Chief Risk Officer-51,500 Options-9.07%
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

Transfer to Reserves

The Directors of the Company has transferred 384.87 Lacs to General Reserves out of the current year profits for the Financial Year 2023-24 as against ₹ 250.03 Lacs during the Financial Year 2022-23. Further your Directors has transferred ₹ 1539.49 Lacs to Statutory Reserve @ 20% profit after tax as required under Section 45-IC of Reserve Bank of India Act, 1934 during the Financial Year 2023-24 as against ₹ 1000.10 Lacs during the Financial Year 2022-23. Further ₹ 1.08 Lacs was transferred during the Financial Year 2023-24 to Share Based payment reserve as against ₹ (4.00) Lacs during the Financial Year 2022-23. Further the Company has transferred ₹ 10562.67 Lacs to share premium account during the year 2023-24

Details of Subsidiary, Associate and Joint Venture Companies

The Company is not having any Associate and Joint Venture Companies as on date by virtue of Section 2 (6) of the Companies Act, 2013. As on 31.03.2024, IKF Home Finance Limited is the Subsidiary Company in which the Company holds 90.55%. Policy for determining 'material' subsidiaries is available on the company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries%20-%20July%202024.pdf

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

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

Auditors:

Statutory Auditors:

In due compliance of the Reserve Bank of India(RBI) vide Notification Ref. No. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 guidelines for appointment statutory auditors of NBFCs your Company has appointed M/s SGCO & Co., LLP., Chartered Accountants (Firm Regn No 112081W/W100184) as Statutory Auditors for a further period of 3 (three) years at the 30th Annual General Meeting to hold the office of Statutory Auditors from the conclusion of 30th Annual General Meeting to till the conclusion of 33rd Annual General Meeting of the Company.

Further in due compliance of the Reserve Bank of India(RBI) vide Notification Ref. No. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 guidelines for appointment statutory auditors of NBFCs, your Board of Directors at the meeting held on 29.05.2024 has, subject to approval of the Members, approved the appointment of M/s. Mukund M Chitale & Co (Firm Regn No: 106655W) Chartered Accountants, as Statutory Auditors of the Company for a period of 3 (Three) years to hold office from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2027 on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon by the audit committee/Board of Directors and the Statutory Auditors.

Qualification by the Statutory Auditor:

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

Secretarial Auditor:

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

Qualification by Secretarial Auditor:

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

Maintenance of Cost Records:

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

Cost Audit:

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

Internal Audit and Auditor:

As part of the effort to evaluate the effectiveness of the internal control systems, and to maintain its objectivity and independence and on recommendations of the Audit Committee your directors have re-appointed M/s. Brahmayya & Co, Chartered Accountant as an internal auditor of the Company for the year ended 31st March, 2024 who shall report to the Audit Committee / Board. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon were presented to the Audit Committee / Board.

Internal Financial Controls:

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

Vigil Mechanism / Whistle Blower Policy:

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

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

Your Company hereby affirms that during the year no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received. This Whistle Blower Policy is available on the website of the company and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Whistle%20blower%20Policy%20-%20July%202024.pdf

Corporate Social Responsibility Committee:

During the year under review the Company has spent an amount of ₹ 1,11,10,450/- under the CSR activity. The report on CSR activities for FY 2023-24 is enclosed as **Annexure-III**. The Corporate Social Responsibility policy is available on the website of the company and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/CSR%20POLICY%20-%20July%202024.pdf

Compliance with RBI DIRECTIONS

Under erstwhile Master Direction - Non-Banking Financial Company - Systemically Important Non -Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company was classified as an Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND- SI). As per the present Master Direction — RBI (Non-Banking Financial Company — Scale Based Regulation) Directions, 2023, the Company is classified under the "Middle Layer" category under the said framework.

Details of Money Accepted from Director

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

Annual Return:

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

Material Changes and Commitments, if any affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

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

Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future:

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

Directors & Key Managerial Personnel:

Directors:

Shri Shri Vupputuri Gopala Kishan Prasad (DIN: 01817992), retired by rotation and was re-elected at the last Annual General Meeting of the Company held on 29.09.2023, in terms of Section 152 of the Companies Act, 2013.

During the year under reveiw, there were changes in the composition of Board of Directors detailed below:

- On 13.02.2024 Shri Raman Uberoi and Sri Kannan were appointed as an additional directors (Non-Executive & Independent), and the approval of Shareholders, for the appointment as Director in the category of Independent Director(s), has been taken at the Extra Ordinary General Meeting held on 29.06.2024.
- Shri. Abhishek Agrawal (DIN: 06760344) was appointed as Nominee Director of Accion Digital Transformation Fund LP (New Investor) by the Board of Directors with effect from 30.05.2023.

- Shri. Sethuraman Ganesh (DIN 07152185) was appointed as Additional Director (Independent and Non-Executive) by the Board of Directors with effect from 14.07.2023 and was appointed as Independent Director, w.e.f., .29.09.2023
- Smt. Indira Devi Vupputuri, Whole Time Director resigned with effect from 14.07.2023.

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

Key Managerial personnel:

During the financial year, there was no change in the appointment of Key Managerial Personnel.

Declaration by Independent Directors:

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

Familiarization programme for Independent Directors:

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

Independent Directors' Meeting:

The Independent Directors met on 30.03.2024 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

During the year, the Company has appointed three Independent directors Shri. Sethuraman Ganesh, Shri Raman Uberoi and Shri Kannan. In the opinion of the Board all the Independent Directors of your Company possess integrity, experience, expertise and requisite proficiency required under all applicable laws and policies of your Company.

Board Evaluation:

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

Change in the nature of business:

There was no change in the nature of business of the Company during the financial year 2023-24.

Number of meetings of the Board of Directors:

During the financial year 2023-24, the Board of Directors have met seven times viz 30.05.2023, 14.07.2023, 11.08.2023, 17.08.2023, 10.11.2023, 13.02.2024 and 20.03.2024 The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

Audit Committee:

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

Nomination and Remuneration Policy:

The Nomination and Remuneration Policy containing guiding principles for payment of remuneration to Directors, Senior Management, Key Managerial Personnel and other employees including Non-executive Directors along with Board Evaluation criteria are provided in the Corporate Governance Report. The terms of reference are placed on Company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Nomination%20and%20Remuneration%20Policy%20-%20July%202024.pdf

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

Particulars of loans, guarantees or investments under Section 186:

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

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

The provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

During the financial year 2023-24, there were no employees in the Company whose details are to be given pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars of contracts or arrangements with related parties:

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

There were no materially significant transactions with Related Parties during the financial year 2023-24 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as **Annexure-IV** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

Your Company has framed a Policy on Related Party Transactions, which intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. The policy is uploaded on website of the Company at https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Related%20Party%20Transactions%20-%20July%202024.pdf

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

Directors' Responsibility Statement:

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

(a) in the preparation of the annual accounts for the period ended 31st March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

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

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

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

Details in respect of frauds reported by auditors under Section 143 (12) other than those which are reportable to the central government:

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

Disclosure under Regulation 53(e) of SEBI LODR:

Name of the debenture trustees with full contact details

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

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

Details of revision of financial statement - Nil

Details of utilization of funds raised through preferential allotment or qualified institutions placement:

During the year under review, the Company had raised 119,99,99,925 (Rupees One Hundred Nineteen Crores Ninety Nine Lac Ninety Nine Thousand Nine Hundred and Twenty Five only) through preferential issue/private placement of Equity Shares & 1,50,00,00,000 (Rupees One Hundred and Fifty Crores through preferential issue/private placement of Non-Convertible Debentures ('NCDs'). The funds were utilised by the Company for its general corporate purposes. There has been no deviation in the utilisation of issue proceeds of Private Placement of Non-Convertible Debentures ('NCDs'), and Tier II Debt, from the Objects stated in the Private Placement Offer Letter.

compliance with Secretarial Standards:

In terms of Section 118 (10) of the Act, your company is in compliance with Secretarial Standards (SS-1) on Meetings of the Board of Directors and Secretarial Standards (SS-2) on General Meeting specified by the Institute of Company Secretaries of India constituted under Section 3 of the Company Secretaries Act, 1980.

Other Disclosures:

Reasons for delay, if any, in holding the annual general meeting- Nil

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

Pecuniary relationship/transaction with non-executive directors:

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

Customer Complaints:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) No. of complaints pending at the beginning of the year	0	0
(b) No. of complaints received during the year	55	48
(c) No. of complaints redressed during the year	55	48
(d) No. of complaints pending at the end of the year	-	-

Perpetual Debt Instruments (PDI):

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

Registrar and Share Transfer Agency:

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

Details of significant changes in key financial ratios, along with detailed explanations thereof: the key financial ratios were disclosed in the Financial Statements, which forms part of this Report.

Human Resources:

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

Awards and recognition:

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

Cautionary Statement:

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The Company, being a non–banking finance company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on conservation of energy and technology absorption.

Foreign Exchange Earnings and Outgo

Total foreign exchange earned	Nil
Total foreign exchange outgo	5,52,264

Code of conduct:

The Company has adopted Code of Conduct for the Board and for the senior level employees of the Company and they are complying with the said code.

Industrial Relations:

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

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:

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

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

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

Acknowledgments:

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

For and on behalf of the Board
IKF FINANCE LIMITED

Vupputuri Gopala Kishan Prasad
Chairman & Executive Director
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 13.08.2024

Report on Corporate Governance

Your Company has voluntarily adopted Corporate Governance Report as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This section on Corporate Governance forms part of the Report of the Directors to the Members.

(1) Company's Philosophy on Code of Governance

Our Corporate Governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including Customers, Investors and the Regulatory Authorities. The strong foundation of the Company is supported by the pillars of Customer faith, Debenture holders Confidence, Bankers Trust, Investor Steadfastness and Employee Loyalty. The Company has been growing over the past thirty years on the principles of dedicated customer service, fair business practices, efficient and trusted financial policies. It continues to maintain high standards of integrity through excellence in service to all its stakeholders.

The Board is fully aware of its fiduciary responsibilities and recognises its responsibilities to shareholders and other stakeholders to uphold the highest standards in economic, social and ethical matters by ensuring that the company conducts its activities in accordance with corporate governance best practices.

(2) Board of Directors

Composition and category:

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

The Board has been constituted in a manner, which will result in an appropriate mix of executive/non-executive and independent Directors to ensure proper governance and management. As on 31.03.2024, the Board comprises 2 executive Directors, 2 Nominee Directors, 5 independent Director, one Non-Executive Non-Independent Director. and one alternate Director who have experience in diverse fields like Finance, Accounts and Management. Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. During the year there were change in the composition of Board of Directors, Shri Sethuraman Ganesh who was appointed as an additional director (Non-Executive & Independent), w.e.f. 14.07.2023 was appointed as an independent director by the shareholders at the Annual General Meeting held on 29.09.2023. Shri Raman Uberoi who was appointed as an additional director (Non-Executive & Independent), w.e.f. 13.02.2024 was appointed as an independent director by the shareholders at the Extra ordinary General Meeting held on 29.06.2024. Shri Kannan who was appointed as an additional director (Non-Executive & Independent), w.e.f. 13.02.2024 was appointed as an independent director by the shareholders at the Extra ordinary General Meeting held on 29.06.2024

Further Shri. Abhishek Agrawal (DIN: 06760344) was appointed as Nominee Director of Accion Digital Transformation Fund LP (New Investor) by the Board of Directors with effect from 30.05.2023.

The Executive Directors as on 31.03.2024 were Shri Vupputuri Gopala Kishan Prasad – Chairman & Executive Director, and Smt. Vasumathi Devi Koganti – Managing Director. Smt. Indira Devi Vupputuri - Whole-time Director, resigned from the Company w.e..f 14.07.2023.

As on 31.03.2024, the Independent Directors were Shri Satyanarayana Prasad Kanaparti, Shri Sunil Rewachand Chandiramani, Shri Sethuraman Ganesh, and, Shri. Satyanand Sinha Chunduri was the Non-Executive Non-Independent Director. Smt. Vupputuri Vasantha Lakshmi is the alternate director to Shri Satyanand Sinha Chunduri. Shri. Vinit Mukesh Mehta and Shri Abhishek Agrawal were the Nominee Director(s) of Private Equity Investor(s). Shri Raman Uberoi and Shri Kannan were the Additional Director(s) (Non Executive and Independent)

Relationship between Directors:

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

Board Meetings:

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

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

30-05-2023	14-07-2023	11-08-2023	17-08-2023
10-11-2023	13-02-2024	20-03-2024	

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from 1st April, 2023 to 31st March, 2024 are as follows:

Name of the Director	Category of Board Directorship	No. of Board Meetings attended	% of total meetings attended	Attendance at the last AGM	No of other Directorships	*No of other Committee in which director is a Chairman or Member	Names of the Listed entity (including Debt Listed Companies)	Category of Directorship
Vupputuri Gopala Kishan Prasad	Chairman & Executive Director	7	100%	Yes	2	0	IKF Home Finance Limited	Promoter
Indira Devi Vupputuri (Resigned on 14.07.2024)	Whole Time Director	2	100%	Yes	1	0	-	Promoter
Vasumathi Devi Koganti	Managing Director	7	100%	Yes	1	1	IKF Home Finance Limited	Promoter
Satyanarayana Prasad Kanaparti	Independent Director	7	100%	Yes	1	0	-	Independent
Vupputuri Vasantha Lakshmi Alternate Director to Satyanand Sinha Chunduri	Alternate Director	7	100%	Yes	1	0	IKF Home Finance Limited	Promoter
Vinit Mukesh Mehta	Nominee Director	7	100%	No	-	0	-	
Sunil Rewachand Chandiramani	Independent Director	7	100%	Yes	8	7	1. Updater Services Limited 2. Sapphire Foods India Limited 3. Rupa & Company Ltd	Independent Director
Shri Nageswara rao Yalamanchili (Resigned on 11.08.2023)	Independent Director	3	100%	No	4	1	Capital Small Finance Bank Limited	Independent Director

Name of the Director	Category of Board Directorship	No. of Board Meetings attended	% of total meetings attended	Attendance at the last AGM	No of other Directorships	*No of other Committee in which director is a Chairman or Member	Names of the Listed entity (including Debt Listed Companies)	Category of Directorship
Gopala Krishna Gurrappa (Resigned on 11.08.2023)	Independent Director	3	100%	No	4	4	1. ICICI Prudential Pension Funds Management Company limited 2. Axis Mutual Fund Trustee Limited 3. ICICI Home Finance Company Limited 4. Krazybee Services Private Limited	Independent Director
Abhishek Agrawal	Nominee Director	7	100%	Yes	3	3	1. Annapurna Finance Private Limited 2. IFMR Rural Channels And Services Private Limited	Nominee Director
Sethuraman Ganesh	Independent Director	6	100%	Yes	1	1	Indel Money Limited	Independent Director
Raman Uberoi (Appointed on 13.02.2024)	Additional Director (Non Executive and Independent)	1	100%	No	3	3	1. Dvara Kshetriya Gramin Financial Services Private Limited 2. Pg Electroplast Limited	Independent Director
Kannan(Appointed on 13.02.2024)	Additional Director (Non Executive and Independent)	1	100%	No	1	1	MAXIMUS ARC LIMITED	Independent Director

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

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

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

Committees:

(3) Audit Committee:

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

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

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

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

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

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

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

The Audit Committee provides direction to the Audit function and monitors the quality of internal controls and systems. The responsibilities of the Audit Committee include the overseeing of financial reporting process to ensure fairness, sufficiency and credibility of financial statements, review of the quarterly and annual financial statements before submission to the Board, review of adequacy of internal control systems and the internal audit functions. On 30.05.2023 the Audit Committee was reconstituted with Shri. Nageswara rao Yalamanchili, Independent Director as Chairman of the Committee and Shri. Gopala Krishna Gurrappa, Independent Director, Shri Satyanarayana Prasad Kanaparti, Independent Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Director as members of the Committee. Due to resignation(s) of Shri Nageswara rao Yalamanchili and Shri Gopala Krishna Gurrappa, Independent Directors the Committee was reconstituted on 10.11.2023 comprises of Shri Satyanarayana Prasad Kanaparti, Independent Director as Chairman of the Committee and Shri. Sunil Rewachand Chandiramani, Independent Director, Sri Sethuraman Ganesh, Independent Director, Shri Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Directors as members of the Committee. The Executive Directors, Statutory Auditors, Internal Auditors and other Functional Heads are invitees to the Committee Meetings. During the year there were changes in the composition of the Audit Committee.

During the year the committee met 6 times on 30.05.2023,14.07.2023, 11.08.2023, 10.11.2023, 12.02.2024 and 20.03.2024. The details of members and their attendance at the committee meetings are given below:

Name of the Director	No of Audit Committee Meetings entitled to attend	No of Audit Committee Meetings attended	% of total Meetings attended
Shri. Nageswara rao Yalamanchili (Resigned on 11.08.2023)	3	3	100%
Shri. Satyanarayana Prasad Kanaparti	6	6	100%
Shri Vinit Mukesh Mehta	6	6	100%
Shri Abhishek Agrawal (From 14.07.2023)	5	5	100%
Shri Gopala Krishna Gurrappa (Resigned on 11.08.2023)	3	3	100%
Shri Sunil Rewachand Chandiramani (From 10.11.2023)	3	3	100%
Shri Sethuraman Ganesh (From 10.11.2023)	3	3	100%

The previous Annual General Meeting ("AGM") of the Company was held on September 29, 2023 and was attended by Shri. Satyanarayana Prasad Kanaparti, Chairman of the audit committee.

(4) Nomination, Remuneration &Compensation Committee:

The Nomination, Remuneration & Compensation Committee was constituted in accordance with the provisions of Section 178 of the Companies Act, 2013. On 30.05.2023, the Committee was again reconstituted with Shri. Nageswara rao Yalamanchili, Independent Director as Chairman of the Committee and Shri Satyanarayana Prasad Kanaparti, Independent Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Director as members of the Committee. Due to resignation of Shri Nageswara rao Yalamanchili, Independent Director, the Committee was reconstituted on 10.11.2023 with Shri Satyanarayana Prasad Kanaparti, Independent Director, Shri Sethuraman Ganesh, Independent Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Director as members of the Committee. During the year, the committee met four times on 30.05.2023, 14.07.2023, 10.11.2023 and 12.02.2024.

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

also reviews the remuneration of the senior management team.

Attendance of each Director at Nomination &Compensation Committee Meeting

Name of the Director	Category	Number of committee meetings	
		entitled to attend	Attended
Shri Vinit Mukesh Mehta	Nominee Director	4	4
Shri Nageswara rao Yalamanchili (Resigned on 11.08.2023)	Independent Director	2	2
Shri Satyanarayana Prasad Kanaparti	Independent Director	4	4
Shri Abhishek Agrawal	Independent Director	3	3
Shri Sethuraman Ganesh	Independent Director	1	1

Criteria for Performance evaluation:

(i) Remuneration Policy:

The Policy inter alia provides for the following:

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

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

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

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

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

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

(ii) Remuneration paid to Directors

Remuneration to Executive Directors:

The Managing Director, Whole Time Director and Executive Director of the company have been appointed on contractual terms, based on the approval of the shareholders. The remuneration package comprises of salary, allowances and perquisites. The details of remuneration paid to the Executive Directors during the year 2023-2024 are given below:

Name of the Director	Remuneration (in ₹)	Allowances	Commission (in ₹)
Vupputuri Gopala Kishan Prasad	₹ 119,60,000	NIL	₹ 1,35,52,000
Indira Devi Vupputuri	₹ 10,40,000	NIL	-
Vasumathi Devi Koganti	₹ 65,00,000	NIL	₹ 68,23,000

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

Remuneration to Non-Executive Directors

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2023-24

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2023-24 was.

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

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

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

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

c) Familiarisation Programme:

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

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

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

List of Directors possessing the skills/expertise and competencies:

Name of the Director	Skills/Expertise and Competencies
Shri Vupputuri Gopala Kishan Prasad	Industry, Marketing, Branding, Risks, Administration
Smt. Vasumathi Devi Koganti	Industry, Marketing, Branding, Risks, Administration and IT
Shri Satyanarayana Prasad Kanaparti	Risks, Administration and Governance
Shri Satyanand Sinha Chunduri	Accounts & Finance
Shri Vinit Mukesh Mehta	Accounts & Finance, Taxes, Legal & Governance
Shri Sunil Rewachand Chandiramani	Accounts & Finance, Taxes, Legal & Governance
Shri Abhishek Agrawal	Accounts & Finance, Taxes, Legal & Governance
Shri Sethuraman Ganesh	Compliance, Risk and Governance
Shri Raman Uberoi	Business Administration, Risk and Governance
Shri Kannan	Banking, Risk, Administration and Governance

e) Confirmation by the Board:

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

f) Resignation of Independent Director:

During the year Shri Nageswara rao Yalamanchili, Independent Director and Shri Gopala Krishna Gurrappa, Independent Director has resigned from the Board. The Board wishes to place on record its deep appreciation and gratitude for the extraordinary contributions made by Shri Nageswara rao Yalamanchili and Shri Gopala Krishna Gurrappa, Independent Directors during their association with the Company.

(5) Stakeholder Relationship and Redressal Committee:

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

The Committee was reconstituted on 30.05.2023 with Shri. Nageswara rao Yalamanchili, Independent Director as Chairman of the Committee and Shri Satyanarayana Prasad Kanaparti, Independent Director, Shri Abhishek Agrawal, Nominee Director as members of the Committee.

Due to resignation of Shri Nageswara rao Yalamanchili, Independent Director, the Committee was reconstituted on 10.11.2023 with Shri. Sunil Rewachand Chandiramani, Independent Director as Chairman of the Committee and Shri Satyanarayana Prasad Kanaparti, Independent Director, Sri Abhishek Agrawal, Nominee Director as members of the Committee.

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

(6) Risk Management Committee:

On 30.05.2023, the Risk Management Committee was reconstituted with Shri Vupputuri Gopala Kishan Prasad, as Chairman of the Committee and Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Director as members of the Committee. The Risk Management Committee was formed to review and monitor Risk Management policies and systems from time to time. During the year 2023-2024 the committee met 4 times on 30.05.2023, 11.08.2023, 10.11.2023 and 12.02.2024. The terms of reference of the Committee include review of operational, reputational and market risks. The other terms inter alia, include, managing the integrated risk, laying down procedures to inform the Board about risk assessment and minimisation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company.

Attendance of each Director at Risk Management Committee Meetings

Name of the Director	Category	Number of committee meetings	
		Entitled to attend	Attended
Vupputuri Gopala Kishan Prasad	Executive Director	4	4
Abhishek Agrawal	Nominee Director	3	3
Vasumathi Devi Koganti	Managing Director	4	4
Vinit Mukesh Mehta	Nominee Director	4	4

Other Committees:

(a) Asset Liability Management Committee:

The Asset Liability Management Committee comprises of Shri Vupputuri Gopala Kishan Prasad as Chairman of the Committee and Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agrawal, Nominee Director as members of the Committee w.e f 30.05.2023. The Asset Liability Management Committee was formed to review and monitor liquidity and interest rate risk arising out of maturity mismatch of assets and liabilities and to address the mismatches, if any, from time to time. During the financial year 2023-24 the committee met 4 times on 30.05.2023, 11.08.2023, 10.11.2023 and 12.02.2024.

Attendance of each Director at Asset Liability Management Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Entitled to attend	Attended
Vupputuri Gopala Kishan Prasad	Executive Director	4	4
Abhishek Agrawal	Nominee Director	3	3
Vasumathi Devi Koganti	Managing Director	4	4
Vinit Mukesh Mehta	Nominee Director	4	4

(b) Management Committee:

The Management Committee comprises Shri Vupputuri Gopala Kishan Prasad as Chairman, Shri. Satyanarayana Prasad Kanaparti, Independent Director and Smt. Vasumathi Devi Koganti as Members. During the year there was no change in the composition of Committee. The management Committee was formed to review and monitor borrowings, assignment and securitization transactions, day to day management activities, etc, from time to time. During the year 2023-24, the committee met 37 times 04.04.2023, 26.06.2023, 19.07.2023, 24.07.2023, 25.07.2023, 28.07.2023, 31.07.2023, 03.08.2023, 11.08.2023, 17.08.2023, 25.08.2023, 05.09.2023, 14.09.2023, 21.09.2023, 26.09.2023, 25.10.2023, 30.10.2023, 08.11.2023 20.11.2023, 24.11.2023, 07.12.2023, 20.12.2023, 29.12.2023, 24.01.2024, 01.02.2024, 08.02.2024, 16.02.2024, 20.02.2024, 21.02.2024, 23.02.2024, 06.03.2024, 16.03.2024, 20.03.2024, 25.03.2024, 26.03.2024, 27.03.2024, and 30.03.2024.

Name of the Director	Category	Number of committee meetings	
		Entitled to attend	Attended
Vupputuri Gopala Kishan Prasad	Executive Director	37	37
Satyanarayana Prasad Kanaparti	Independent Director	37	37
Vasumathi Devi Koganti	Managing Director	37	37

(6) Remuneration of directors

Pecuniary relationship/transaction with non-executive directors

During FY 2023-24, there were no pecuniary relationship/ transactions of any non–executive directors with the Company, except payment of sitting fees for attending Board Meetings. During FY 2023-24, the Company did not advance any loans to any of its directors.

Criteria of making payments to non-executive directors

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

Details of Remuneration of directors

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

(7) General Body Meetings:

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

AGM	Day	Date	Time	Venue	Special Resolutions passed
32nd AGM	Friday	29.09.2023	11.00 AM	40-1-144, 03rd Floor, Corporate Centre, M.G. Road, Vijayawada – 520010, Andhra Pradesh, India	• Authorization to issue of Non-Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis: • To revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad (DIN: 01817992), Chairman and Executive Director of the Company: • Appointment of Shri Sethuraman Ganesh (DIN: 07152185), Additional Director as an Independent Director of the Company: • Amendment in the Articles of Association of the Company
31st AGM	Friday	30.09.2022	11.00 AM	Through Video Conference / Audio-visual means	• Renew the Borrowing Powers of the Company of ₹ 5000 crores. • Renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company. • Issue of Non-Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis. • Approve re-appointment of Sri. Vupputuri Gopala Kishan Prasad as Chairman and Executive Director of the Company. • Approve re-appointment of Smt. Indira Devi Vupputuri as Whole-Time Director of the Company. • Approve re-appointment of Smt. Vasumathi Devi Koganti as Managing Director of the Company.
30th AGM	Tuesday	30.11.2021	11.00 AM	Through Video Conference / Audio-visual means	• Renew the Borrowing Powers of the Company of ₹ 5000 crores. • Renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company. • Issue of Non-Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis.

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

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

(8) Means of Communication:

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

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

(9) General Information to Shareholder:

General Body Meeting, Day, Date, Time &Location

33rd Annual General Meeting will be held on Monday, 30th September 2024 at 11.00 A. M., at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh.

Financial Calendar

Financial Year - 1st April 2023 to 31st March 2024.

Dividend Payment

Your Directors' have not recommended payment of dividend for the financial year ended 31st March 2024 since it is proposed to retain the same in the business.

Stock Exchange(s) at which the securities are listed

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

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

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

Stock Code:

959773, 974327, 974714, 975026, 975569

Suspension from trading

No securities of the Company were suspended from trading during the FY 2023-24.

Market price data - high, low during each month in last financial year

Not Applicable as the Equity Shares of the Company are not listed on the Stock Exchange.

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.,

Not Applicable as the Equity Shares of the Company are not listed on the Stock Exchange.

Book Closure dates

September 23rd 2024 to September 30th 2024

Share Transfers

There was no physical transfer of shares.

The company's shares are being compulsorily traded in dematerialized form with effect from 1st April, 2003. M/s. Bigshare Services Private Limited, who have been appointed as the Registrar and Share Transfer Agents of the company for both physical and electronic segments have attended to the share transfer formalities regularly. The Registrars and Share Transfer Agents can be contacted by the investors at the following address

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

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

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

Commodity price risk or foreign exchange risk and hedging activities

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

Plant location

Not Applicable

Distribution of Shareholding as on 31st March, 2024:

Shareholdings		Shareholders		Share Amount	
₹	₹	No	% of total	₹	% of total
Upto	5,000	1014	70.02	1832870	0.26
5,001	10,000	173	11.95	1518200	0.22
10,001	20,000	90	6.22	1441020	0.21
20,001	30,000	33	2.28	849130	0.12
30,001	40,000	20	1.38	732720	0.10
40,001	50,000	18	1.24	859480	0.12
50,001	1,00,000	19	1.31	1531420	0.22
1,00,001	& above	81	5.59	692799610	98.75
Total		**1448**	**100.00**	**701564450**	**100.00**

Shareholding Pattern as on 31st March, 2024:

Category	Total Shareholders	% of Shareholders	Total Shares	%
Clearing Member	6	0.41%	94087	0.13%
Corporate Bodies	38	2.62%	1536762	2.19%
Foreign Company	3	0.21%	24214336	34.51%
Foreign Promoters	2	0.14%	1611800	2.30%
Non-Resident Indians	15	1.03%	7521	0.01%
Promoters	5	0.31%	28441453	40.54%
Public	1377	95.10%	6296468	8.98.32%
Trusts (Domestic Companies)	2	0.14%	7954018	11.34%
Total	**1448**	**100.00%**	**70156445**	**100%**

Dematerialization of Shares & Liquidity

Total No of Shares as on 31st March, 2024 is 7,01,56,445. Shares in demat form as on 31st March, 2024 was 7,00,58,807 and physical form 97,638. Further 75,81,418 Equity Shares allotted were dematerialized in the FY 2023-24.

Address for correspondence and any assistance/clarification

Compliance Officer:

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

List of all credit ratings obtained during the year:

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

(10) Other Disclosures:

Materially significant related party transactions

There are no materially significant transactions with related parties i.e., Associate Companies, Promoters, Directors or the key management personnel and their relatives conflicting with the Company's interest that may have potential conflict with the interests of listed entity at large.

Details of non-compliance by the listed entity – Nil

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

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

Web link where policy for determining 'material' subsidiaries is disclosed – https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries%20-%20July%202024.pdf Web link where policy on dealing with related party transactions – https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Related%20Party%20Transactions%20-%20July%202024.pdf.

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

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

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

Details of material subsidiaries:

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

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Sl. No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
1.	Statutory Audit fees paid for Audit of the IKF Finance Limited including Limited Review & fee paid for any other services	33.05 Lakhs
2.	Statutory Audit fees paid for Audit of the IKF Home Finance Limited including Limited Review & fee paid for any other services	05 Lakhs

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

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

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

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

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

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

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable to the Company, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended March 31, 2024.

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 13.08.2024

Annexure-I

Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

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

AOC-1

Part "A": Subsidiaries

(Amount in Lakhs, unless otherwise stated)

Name of the subsidiary	IKF Home Finance Limited
Financial period ended	31.03.2024
Exchange rate	Not Applicable
Share capital	6924.82
Reserves & surplus	14389.88
Total assets	95201.21
Total liabilities (excluding share capital and reserves & surplus)	73886.52
Investments	1.00
Turnover	14436.66
Profit/(Loss) before taxation	3248.67
Provision for taxation	880.42
Profit / (Loss) after taxation	2368.25
% of shareholding	90.55%

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

Part "B": Associate Company

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

As on 31.03.2024, the Company did not have any associate or joint venture company.

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

For and on behalf of the Board
IKF FINANCE LIMITED

Vupputuri Gopala Kishan Prasad
Chairman & Executive Director
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 13.08.2024

Annexure-II

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 andRule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 (**"the Act"**) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and

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

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

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Maternity Benefits Act, 1961;

(xi) Minimum Wages Act, 1948;

(xii) Negotiable Instruments Act, 1881;

(xiii) Payment of Bonus Act, 1965;

(xiv) Payment of Gratuity Act, 1972;

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

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

i. NBFC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Company

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

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

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

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

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

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

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

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

(a) the Company has made private placement of Equity shares as well as Non-Convertible Debentures as per the applicable provisions of the Companies Act, 2013 and rules made thereunder;

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

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

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
Peer review No: 726/2020
UDIN: A027885F000948189

Place: Hyderabad
Date: 12.08.2024

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

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Annexure-A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
Peer review No: 726/2020
UDIN: A027885F000948189

Place: Hyderabad
Date: 12.08.2024

Annexure-III

Annual Report on CSR Activities

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

1. Brief outline on CSR Policy of the Company:

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

a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

b. Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects;

c. Promoting gender equality, empowering women;

d. Ensuring environmental sustainability, ecological balance;

e. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central / State Government for socio-economic development and relief;

f. Rural Development projects;

g. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Satyanarayana Prasad Kanaparti	Chairman	2	2
2	Shri Vupputuri Gopala Kishan Prasad	Member	2	2
3	Shri. Vinit Mukesh Mehta	Member	2	2
4	Shri. Abhishek Agrawal	Member	2	2

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

The details are available on our website at: https://www.ikffinance.com/assets/pdf/policies/CSR%20POLICY%20-%20July%202024.pdf.

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

As the Company is not having average CSR obligation of ₹ 10 Crores or more in pursuance of subsection (5) of section 135 of the Act, impact assessment is not applicable to the Company.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 55,26,09,450/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 1,10,52,189/-

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 1,10,52,189/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,11,10,450

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1,11,10,450

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1,11,10,450	–	–	–	–	–

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135	1,10,52,189/-
(ii)	Total amount spent for the Financial Year	1,11,10,450
(iii)	Excess amount spent for the financial year [(ii)-(i)]	58,261
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	58,261

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under sub section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2022-23	Nil	Nil	Nil	Nil	-	-	-
2	2021-22	Nil	Nil	Nil	Nil	-	-	-
3	2020-21	Nil	Nil	Nil	Nil	-	-	-
Total				Nil				

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

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

for and on behalf of the Board of Directors of
IKF FINANCE LIMITED

Satyanarayana Prasad Kanaparti
Chairman of CSR Committee
DIN: 03598603

Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 13.08.2024

Annexure-IV

Particulars of contracts / arrangements made with related parties

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

AOC-2

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

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

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2024, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

   There were no material contracts or arrangements or transactions entered in to during the year ended March 31, 2024.

For and on behalf of the Board
IKF FINANCE LIMITED

Vupputuri Gopala Kishan Prasad
Chairman & Executive Director
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 13.08.2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Independent Auditor's Report

To the Members of

IKF FINANCE Limited

Report on the Audit of Standalone Financial Statements.

We have audited the accompanying Standalone Financial Statements of **IKF FINANCE Limited** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss, (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA), as specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing are further described in the 'Auditor's Responsibilities for the Audit of the Standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("The ICAI"} together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit Matters	Auditors' Response
Expected Credit Loss – Impairment of carrying value of loans and advances.	
Assessment of impairment loss allowance on Expected Credit loss (ECL) on Loans (Refer Note 43 of the financial statements) Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS 109. Measurement and Recognition of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109	• Our Audit procedures include following: • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024 by reconciling it with the balances as per loan balance register as on the date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.

Key audit Matters	Auditors' Response
• The segmentation of financial assets when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk. The Company has also recorded a management overlay as part of its ECL, Management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. We have considered ECL as Key Audit Matter because the estimates on which these amounts are based involve a significant degree of management judgment and accounting estimates.	• Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. • Management's controls over authorization and calculation of management overlays. • We assessed the adequacy and appropriateness of disclosures in the financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report and Report on Corporate Governance but does not include the Standalone Financial Statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements, as a whole,

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the Financial year ended on 31st March 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order"} issued by the Central Government of India in terms of sub-section (11} of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been Kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;

(e) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

(f) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

(g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 38 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

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

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

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares at application level. However, for the database level we are unable to comment as the necessary information required for Reporting under this section was not available.

Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.: 047684
UDIN: 24047684BKHXQT2494

Place: Hyderabad
Date: 29th May 2024

ANNEXURE A

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

(i) In respect of Company's property, plant and equipment, right-of-use assets and intangible assets:

(a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

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

(c) According to the information and explanations given to us, the title deeds of immovable properties included in investment property are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-us assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, clause 3(ii)(a) of the said order is not applicable to the Company.

(b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees /security and loans and advances:

(a) The Company's principal business is to give loans and, accordingly, the requirements under paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and based on examination of the books and records, in respect of the loans and advances in the nature of loans granted by the company, the schedule of repayment of principle and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay in this report as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the company has disclosed asset classification / staging in Note 43 to the Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS) and the

guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹. 7,728.84 Lacs. Reasonable steps are being taken by the company for recovery of the principal and interest as stated in the applicable regulations and loan agreements.

(e) The Company's principal business is to give loans and, accordingly, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investment made and guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public. Hence, reporting under clause 3(v) of the order is not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company. Hence, reporting under clause 3

(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

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

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has applied term loans for the purpose for which the loans were obtained.

(d) The Company has not utilised fund raised on short term basis for long term purposes.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

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

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

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

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards.

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

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

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors and hence, the requirement to report on paragraph 3(xv) of the Order is not applicable.

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

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

(c) In our opinion, the Company is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios Also refer Note 41 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

(b) There are no unspent amounts towards CSR on ongoing requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.: 047684
UDIN: 24047684BKHXQT2494

Place: Hyderabad
Date: 29th May 2024

ANNEXURE B

REFERRED TO IN PARAGRAPH 3 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

We have audited the internal financial controls with reference to Standalone Financial Statements of IKF Finance Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.: 047684
UDIN: 24047684BKHXQT2494

Place: Hyderabad
Date: 29th May 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Balance Sheet

as at March 31, 2024

(All amounts in lakhs, except as stated otherwise)

(Currency : ₹ in lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	4,407.96	23,039.43
(b) Bank Balance other than included in (a) above	4	3,023.41	5,573.17
(c) Receivables			
(I) Trade receivables	5	145.64	-
(II) Other receivables		-	-
(d) Loans	6	325,530.75	210,754.51
(e) Investments	7	27,624.85	30,810.55
(f) Other financial assets	8	2,754.99	2,220.12
Subtotal		**363,487.60**	**272,397.79**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		43.25	372.98
(b) Deferred Tax Assets (Net)	30	-	-
(c) Investment Property	9	130.03	72.14
(d) Property, Plant and Equipment	10	237.54	250.23
(e) Right of use asset	10	262.17	270.26
(f) Capital work in progress	11	47.59	-
(g) Intangibles assets under development	11A	13.20	-
(h) Other Intangible assets	11B	123.99	156.38
(i) Other non-financial assets	12	3,265.05	2,909.85
Subtotal		**4,122.82**	**4,031.85**
Total assets		**367,610.42**	**276,429.64**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(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	15,989.65	18,838.54
c) Borrowings (other than debt securities)	14	240,928.87	168,496.32
d) Subordinated Liabilities	15	16,372.47	16,345.06
e) Other financial liabilities	16	5,470.71	2,921.34
		278,761.70	**206,601.26**
(2) Non-financial liabilities			
(a) Provisions	17	288.37	210.50
(b) Deferred tax liabilities (Net)	30	218.55	188.82
(c) Other non-financial liabilities	18	275.74	179.07
		782.66	**578.39**
EQUITY			
(a) Equity share capital	19	7,015.65	6,457.51
(b) Other equity	20	81,050.41	62,792.48
		88,066.06	**69,249.99**
Total liabilities and equity		**367,610.42**	**276,429.64**
Material Accounting policies and key accounting estimates and judgments	2		

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

As per our report of even date

For and on behalf of the Board of Directors of

IKF Finance Limited

CIN: U65992AP1991PLC012736

For **SGCO & CO.LLP**
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sudha Jaideep Shetty
Partner
Membership No.047684
Place: Hyderabad
Date: 29 May 2024

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723
Place: Hyderabad
Date: 29 May 2024

Statement of Profit and Loss

for the year ended on March 31, 2024

(All amounts in lakhs, except per share data and as stated otherwise)

(Currency : ₹ in lakhs)

Particulars		Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue From operations				
(i)	Interest income	21	43,304.01	28,398.32
(ii)	Fees and commission income	22	98.89	93.92
(iii)	Other Operating Income	23	19.64	3.20
(I)	**Total revenue from operations**		**43,422.54**	**28,495.44**
(II)	Other income	24	325.04	164.24
(III)	**Total income (I + II)**		**43,747.58**	**28,659.68**
Expenses				
(i)	Finance costs	25	22,022.85	15,402.63
(ii)	Impairment on financial instruments	26	1,640.51	539.85
(iii)	Employee benefits expenses	27	7,329.16	4,297.44
(iv)	Depreciation, amortization and impairment	28	340.89	264.23
(v)	Others expenses	29	2,076.54	1,424.80
(IV)	**Total expenses**		**33,409.95**	**21,928.95**
(V)	**Profit before tax (III - IV)**		**10,337.63**	**6,730.73**
(VI)	**Tax Expense:**			
	(1) Current Tax	30	2,600.55	1,461.47
	(2) Deferred Tax	30	30.82	255.84
	(3) Adjustment of tax relating to earlier periods	30	8.82	12.91
			2,640.19	**1,730.22**
(VII)	**Profit for the period (V-VI)**		**7,697.44**	**5,000.51**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)		(4.36)	13.18
	(a) Remeasurements of the defined benefit plans	31	1.10	(3.32)
	Other comprehensive income / (loss)		**(3.26)**	**9.86**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**7,694.18**	**5,010.37**
(X)	**Earnings per share (equity share, par value of ₹.10 each)**			
	Basic	32	11.32	9.31
	Diluted	32	11.32	9.31
Material accounting policies and key accounting estimates and judgments		2		

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **SGCO & CO.LLP**
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sudha Jaideep Shetty
Partner
Membership No.047684
Place: Hyderabad
Date: 29 May 2024

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723
Place: Hyderabad
Date: 29 May 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Standalone Cash Flow Statement

for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**10,337.63**	**6,730.73**
Adjustments for:		
Depreciation, amortisation and impairment	340.89	264.23
Interest Income	(43,304.01)	(28,398.32)
Interest expenses	22,022.85	15,402.63
Impairment on financial instrument	1,640.51	539.85
Share based payment expense	1.08	(3.99)
Provision for expenses	12.75	2.25
Employee benefit expenses	82.35	(57.21)
Rental income on Investment property	(9.15)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	(0.04)	1.14
(Profit)/ Loss on sale of immovable Property	-	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(8,875.15)**	**(5,523.17)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(145.64)	-
Decrease / (Increase) in loans	(114,911.49)	(55,475.48)
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.76	(3,364.52)
Decrease / (Increase) in other financial assets	(36.54)	43.49
Decrease / (Increase) in other non-financial assets	(355.20)	(1,842.43)
(Decrease) / Increase in other financial liabilities	2,537.90	622.18
(Decrease) / Increase in provisions	(8.83)	(25.48)
(Decrease) / Increase in other non-financial liabilities	96.67	79.57
Interest received	41,283.73	27,451.64
Interest paid	(22,397.69)	(15,826.72)
	(100,262.47)	**(53,860.90)**
Income tax paid (net of refunds)	(2,279.64)	(1,664.32)
Deferred tax adjustment	0.01	0.00
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(102,542.10)**	**(55,525.22)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(119.47)	(67.99)
Purchase of intangible assets under development	(13.20)	
Purchase of Investment property	(58.06)	0.00
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	0.04	0.82
Proceeds from sale of Investment property	-	38.85
Purchase of intangible assets	(20.00)	(50.25)
Purchase of investments measured at Amortised cost and FVTPL	3,185.70	(24,557.63)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**2,984.16**	**(24,628.57)**

Standalone Cash Flow Statement (Cont.)

for the year ended March 31, 2024

CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.00	25,506.83
Share issue expenses	(879.18)	
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	(17,500.00)	(3,400.00)
Amount received from borrowings other than debt securities	140,850.00	109,340.00
Repayment of borrowings other than debt securities	(68,326.67)	(48,983.70)
Amount received from subordinated Liabilities	-	14,000.00
Repayment of subordinated debt	(0.00)	(3,500.00)
Payment of principal portion of lease liabilities	(180.25)	(113.49)
Payment of interest on lease liabilities	(37.43)	(33.63)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**80,926.47**	**99,816.01**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(18,631.47)**	**19,662.22**
Cash and Cash Equivalents at the beginning of Year	23,039.43	3,377.21
Cash and Cash Equivalents at the end of the Year	4,407.96	23,039.43

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For **SGCO & CO.LLP**
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684
Place: Hyderabad
Date: 29 May 2024

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723
Place: Hyderabad
Date: 29 May 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity share capital

Current Reporting Period

(Currency : ₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period As at March 31, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2024
Issued, Subscribed and paid up - fully paid	6,457.51	-	6,457.51	558.14	**7,015.65**
(Equity shares of ₹ 10 each, Fully paid-up)					
Issued, Subscribed and paid up - partly paid	0.00	-	0.00	-	**0.00**

Previous Reporting Period

(Currency : ₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period As at March 31, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2024
Issued, Subscribed and paid up - fully paid	5,265.91	-	5,265.91	1,191.60	**6,457.51**
(Equity shares of ₹ 10 each, Fully paid-up)					
Issued, Subscribed and paid up - partly paid	0.00	-	0.00		**0.00**

B. Other equity

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Balance at April 01, 2022	**4,993.49**	**32.50**	**10,576.37**	**1,221.45**	**24.62**	**16,622.41**	**33,470.84**
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	**-**
Restated balance as at April 01, 2022	4,993.49	32.50	10,576.37	1,221.45	24.62	16,622.43	**33,470.86**
Profit for the year	-	-	-	-	-	5,000.51	**5,000.51**
Other comprehensive income for the year	-	-	-	-	-	9.86	**9.86**

Statement of Changes in Equity (Cont.)

for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Total comprehensive income for the year (net of tax)	-	-	-	-	-	5,010.37	**5,010.37**
Transfer to Statutory Reserve	1,000.10	-	-	-	-	(1,000.10)	**-**
Transfer to General Reserve	-	-	-	250.03	-	(250.03)	**-**
Issue of equity shares	-	-	24,315.23	-	-	-	**24,315.23**
Share based payment expense	-	-	-	-	(3.99)	-	**(3.99)**
Balance at March 31, 2023	**5,993.59**	**32.50**	**34,891.60**	**1,471.48**	**20.63**	**20,382.67**	**62,792.48**
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	**-**
Restated balance as at April 01, 2023	**5,993.59**	**32.50**	**34,891.60**	**1,471.48**	**20.63**	**20,382.67**	**62,792.48**
Profit for the year	-	-	-	-	-	7,697.44	**7,697.44**
Other comprehensive income for the year	-	-	-	-	-	(3.26)	**(3.26)**
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**7,694.18**	**7,694.18**
Transfer to Statutory Reserve	1,539.49	-	-	-	-	(1,539.49)	**-**
Transfer to General Reserve	-	-	-	384.87	-	(384.87)	**-**
Issue of equity shares	-	-	11,441.85	-	-	-	**11,441.85**
Share issue expenses	-	-	(879.18)				**(879.18)**
Share based payment expense	-	-	-	-	1.08	-	**1.08**
Balance at March 31, 2024	**7,533.08**	**32.50**	**45,454.27**	**1,856.35**	**21.71**	**26,152.49**	**81,050.41**

As per our report of even date

For **SGCO & CO.LLP**
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684
Place: Hyderabad
Date: 29 May 2024

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723
Place: Hyderabad
Date: 29 May 2024

Notes

to Financial Statements for the year ended March 31, 2024

1 Company Overview

IKF Finance Limited ('the Company') is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and classified as a Non-Banking Financial Company- Asset Finance Company ('NBFC-AFC') with effect from May12,2014.The Company provides finance for commercial vehicles, construction equipment and other loans.

2 Material Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2024 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

2.2 Presentation of Financial Statements

The financial statement of the company are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 35 – Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the material accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This

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to Financial Statements for the year ended March 31, 2024

assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Effective Interest Rate (EIR) method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- PD calculation includes historical data, benchmarking, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.

It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 43- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Operating leases

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the

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lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model

whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets and liabilities are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the

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period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have

experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) -

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in Note 43- Risk Management.

Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 42 - Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is

Notes
to Financial Statements for the year ended March 31, 2024

based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

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Asset	Useful Life
Building (Investment Property)	60 years
Office Equipment	5 years
Furniture and Fixture	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprise the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Investment in Subsidiaries

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

2.10 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.11 Employee benefits

Defined Contribution Plan:

The Company has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident

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to Financial Statements for the year ended March 31, 2024

fund / recognized provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions.

The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.12 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.13 Provision and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity

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to Financial Statements for the year ended March 31, 2024

shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.15 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.16 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company₹s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

2.18 Statutory Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	139.51	221.31
Balances with banks in current accounts	4,268.45	22,818.12
Total	**4,407.96**	**23,039.43**

4 Bank balance other than cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks to the extent held as margin money*	3,023.41	5,573.17
Total	**3,023.41**	**5,573.17**

*Represent margin money deposits placed to avail term loans from banks, financial institutions

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to Financial Statements for the year ended March 31, 2024

5 Receivables

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade receivables		
Receivables considered good - Secured		
Receivables considered good - Unsecured	145.64	-
Receivables which have significant increase in credit risk; and		
Receivables – credit impaired		
	145.64	**-**
Less: Provision for impairment	0.00	-
Total	**145.64**	**-**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at March 31st 2024

(Currency : ₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	145.64	-	-	-	-	145.64
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**145.64**	**-**	**-**	**-**	**-**	**145.64**

As at March 31st 2023

(Currency : ₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

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to Financial Statements for the year ended March 31, 2024

6 Loans (at Amortised Cost)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Term loans	323,511.66	208,734.39
(ii) term loans - related parties	0.00	-
(iii) Staff loans	68.39	83.39
(iv) others		
(a) Trade advances	5,523.72	4,910.17
Total	**329,103.77**	**213,727.95**
Less: Impairment loss allowance	3,573.02	2,973.44
Total - Net of impairment loss allowance	**325,530.75**	**210,754.51**
(i) Secured by tangible assets*	323,511.66	208,734.39
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Government Guarantees	-	-
(iv) Unsecured	5,592.11	4,993.56
Total	**329,103.77**	**213,727.95**
Less: Impairment loss allowance	3,573.02	2,973.44
Total - Net of impairment loss allowance	**325,530.75**	**210,754.51**
(i) Public sectors	-	-
(ii) Others	329,103.77	213,727.95
Total	**329,103.77**	**213,727.95**
Less: Impairment loss allowance	3,573.02	2,973.44
Total - Net of impairment loss allowance	**325,530.75**	**210,754.51**
(i) Loans in India	329,103.77	213,727.95
(ii) Loans outside India		
Total	**329,103.77**	**213,727.95**
Less: Impairment loss allowance	3,573.02	2,973.44
Total - Net of impairment loss allowance	**325,530.75**	**210,754.51**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans		
Stage I	297,782.39	169,430.51
Stage II	23,524.15	38,155.73
Stage III	7,728.83	6,058.32
Total	**329,035.38**	**213,644.56**

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to Financial Statements for the year ended March 31, 2024

6.2 Gross movement of loans for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023				
Term loans	**169,430.51**	**38,155.74**	**6,058.32**	**213,644.56**
Staff loans	**83.39**	**-**	**-**	**83.39**
New loans originated during the year				-
Term loans	208,929.41	6,339.01	432.55	215,700.97
Staff loans	15.00			15.00
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	7,530.54	(7,335.14)	(195.40)	-
Transfers to Stage 2	(8,845.49)	9,036.91	(191.42)	-
Transfers to Stage 3	(2,413.01)	(2,378.10)	4,791.11	-
Interest on stage 3 loans			142.38	142.38
Amounts written off				
Term loans	(383.26)	(288.85)	(352.10)	(1,024.21)
Staff loans				-
Assets derecognised or repaid (excluding write offs)				
Term loans	(76,466.30)	(20,005.41)	(2,956.60)	(99,428.32)
Staff loans	(30.00)	-	-	(30.00)
Gross carrying amount as at March 31, 2024				
Term loans	**297,782.39**	**23,524.15**	**7,728.83**	**329,035.38**
Staff loans	**68.39**	**-**	**-**	**68.39**

6.3 Gross movement of loans for the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022				
Term loans	129,809.42	25,161.20	4,338.15	159,308.77
Staff loans	35.04	-	-	35.04
New loans originated during the year				-
Term loans	118,581.75	7,959.69	729.63	127,271.07
Staff loans	48.80	-	-	48.80
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	1,555.80	(1,542.59)	(13.21)	-
Transfers to Stage 2	(21,396.99)	21,423.38	(26.39)	-
Transfers to Stage 3	(1,577.21)	(1,524.33)	3,101.54	-

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to Financial Statements for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Interest on stage 3 loans	-	-	69.56	69.56
Amounts written off				
Term loans	(123.40)	(27.92)	(343.48)	(494.81)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(57,418.86)	(13,293.70)	(1,797.48)	(72,510.03)
Staff loans	(0.45)	-	-	(0.45)
Gross carrying amount as at March 31, 2023				
Term loans	**169,430.51**	**38,155.74**	**6,058.32**	**213,644.56**
Staff loans	**83.39**	**-**	**-**	**83.39**

6.4 ECL movement of term loans during the year ended March 31, 2024:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**
New loans originated during the year	931.13	104.84	77.16	1,113.12
Inter-stage movements:				
Transfers to Stage 1	245.28	(217.57)	(27.71)	-
Transfers to Stage 2	(86.60)	96.23	(9.62)	-
Transfers to Stage 3	(15.21)	(60.77)	75.98	-
Amounts written off	(14.70)	(17.15)	(294.08)	(325.94)
Assets derecognised or repaid (excluding write offs)	(90.90)	(108.60)	(261.29)	(460.78)
Net Remeasurement of ECL arising from transfer of stage	(565.21)	(138.00)	976.39	273.18
Gross carrying amount as at March 31, 2024	**1,377.12**	**370.87**	**1,825.02**	**3,573.02**

6.5 ECL movement of term loans during the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022	**989.64**	**563.47**	**1,465.31**	**3,018.42**
New loans originated during the year	709.16	140.40	87.58	937.14
Inter-stage movements:				
Transfers to Stage 1	45.96	(42.41)	(3.55)	-
Transfers to Stage 2	(276.13)	294.27	(18.14)	-
Transfers to Stage 3	(18.96)	(53.80)	72.76	-
Amounts written off	(4.80)	(4.38)	(320.19)	(329.36)
Assets derecognised or repaid (excluding write offs)	(130.05)	(150.56)	(321.64)	(602.25)
Net Remeasurement of ECL arising from transfer of stage	(341.49)	(35.09)	326.07	(50.50)
Gross carrying amount as at March 31, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**

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to Financial Statements for the year ended March 31, 2024

7 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity instruments		
- Subsidiary (at cost)		
IKF Home finance limited*	15,219.23	10,762.73
(March 31,2024:5,74,04,177 Equity shares of ₹ 10 each fully paid &96,88,043 Equity shares of ₹ 5 partly paid;March 31, 2023: 5,74,04,177 Equity shares of ₹ 10 each fully paid)		
Investment in Market Linked Debentures (at Fair Value through Profit or loss)	-	15,960.75
Investment in Debentures (at Amortised cost)	12,405.62	4,087.07
Total (A)	**27,624.85**	**30,810.55**
(i) Investments in India	27,624.85	30,810.55
(ii) Investments outside India	-	-
Total (B)	**27,624.85**	**30,810.55**

8 Other Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rent and utility deposit	303.42	239.69
Excess Interest Spread (EIS) Receivables	2,429.00	1,926.33
Other -unsecured, considered good	22.57	54.11
Total	**2,754.99**	**2,220.12**

9 Investment Property

(Currency : ₹ in lakhs)

Particulars	Buildings	Land	Total
Gross carrying amount			
As at March 31, 2022	**6.98**	**108.01**	**114.99**
Additions	-	-	-
Disposals	-	(42.00)	(42.00)
As at March 31, 2023	**6.98**	**66.01**	**72.99**
Additions		58.06	
Disposals			
As at March 31, 2024	**6.98**	**124.07**	**72.99**
As at March 31, 2022	0.68	-	0.68
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2023	**0.85**	**-**	**0.85**
Depreciation for the year	0.17		0.17
Disposals			-
As at March 31, 2024	**1.02**	**-**	**1.02**
Net book value			
As at March 31, 2022	6.30	108.01	114.31
As at March 31, 2023	6.13	66.01	72.14
As at March 31, 2024	**5.96**	**124.07**	**130.03**

Notes

to Financial Statements for the year ended March 31, 2024

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rental Income	9.15	7.63
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**9.15**	**7.63**
Depreciation	0.17	0.17
Profit from investment properties	**8.98**	**7.46**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair valuation of investment property as at March 31,2024 is INR 448.18 lakhs(PY: INR 394.18 lakhs)

(iv) Pledged details

Building is pledged in favor of consortium leader central bank for cash credit facility.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

10 Property, plant and equipment

(Currency : ₹ in lakhs)

Particulars	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount						
As at March 31, 2022	**299.04**	**139.76**	**11.16**	**75.51**	**525.48**	**133.39**
Additions	6.35	55.80	5.84	-	67.99	399.37
Disposals	(2.47)	(27.70)	(0.54)	-	(30.71)	(13.97)
As at March 31, 2023	**302.92**	**167.86**	**16.46**	**75.51**	**562.76**	**518.79**
Additions	2.34	43.23	0.32	26.00	71.89	195.66
Disposals	-	(0.08)	-	-	(0.08)	-
As at March 31, 2024	**305.26**	**211.00**	**16.78**	**101.51**	**634.57**	**714.45**
Accumulated depreciation and impairment:						
As at March 31, 2022	**132.95**	**78.68**	**7.20**	**46.56**	**265.37**	**122.64**
Depreciation for the year	33.60	29.55	2.24	10.52	75.91	139.86
Disposals	(1.96)	(26.31)	(0.48)	-	(28.75)	(13.97)

Notes

to Financial Statements for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets
As at March 31, 2023	**164.59**	**81.92**	**8.96**	**57.08**	**312.53**	**248.53**
Depreciation for the year	27.86	43.96	2.35	10.41	84.58	203.75
Disposals	-	(0.08)	-	-	(0.08)	-
As at March 31, 2024	**192.45**	**125.80**	**11.31**	**67.50**	**397.03**	**452.28**
Net book value						
As at March 31, 2022	166.08	61.09	3.97	28.94	260.11	10.75
As at March 31, 2023	138.33	85.94	7.50	18.42	250.23	270.26
As at March 31, 2024	112.81	85.19	5.48	34.02	237.54	262.17

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

11 Capital work in Progress

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	-	-
Additions	**47.59**	-
Deductions	-	-
Closing Balance	**47.59**	**-**

Ageing for Capital work in Progress

(Currency : ₹ in lakhs)

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	**31st March 2024**	47.59	-	-	-	47.59
Projects in Progress	**31st March 2023**	-	-	-	-	-

11A Intangible assets under development

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	-	-
Additions	**13.20**	-
Deductions	-	-
Closing Balance	**13.20**	**-**

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to Financial Statements for the year ended March 31, 2024

Ageing for Intangibles assets under development

(Currency : ₹ in lakhs)

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	**31st March 2024**	13.20	-	-	-	13.2
Projects in Progress	**31st March 2023**	-	-	-	-	0

11B Other Intangible assets

(Currency : ₹ in lakhs)

Particulars	Computer software
Gross carrying amount	
As at March 31, 2022	**297.78**
Additions	50.25
Disposal	-
As at March 31, 2023	348.03
Additions	20.00
Disposal	-
As at March 31, 2024	**368.03**
Accumulated amortisation and impairment	
As at March 31, 2022	**143.37**
Amortisation for the year	48.29
Disposal	-
As at March 31, 2023	191.65
Amortisation for the year	52.39
Disposal	-
As at March 31, 2024	**244.04**
Net book value	
As at March 31, 2022	154.42
As at March 31, 2023	156.38
As at March 31, 2024	123.99

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2024 and March 31,2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

12 Other Non-Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	597.40	354.73
Advances to employees	0.28	0.27
GST input credit	629.19	523.41
Advance for expenses	38.18	31.44
Advance given for purchase of property	2,000.00	2,000.00
Total	**3,265.05**	**2,909.85**

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to Financial Statements for the year ended March 31, 2024

13 Debt Securities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured		
Non convertible debentures	12,497.99	10,125.66
Unsecured		
Other non convertible debentures	3,491.66	8,712.88
Total	**15,989.65**	**18,838.54**
Debt Securities:		
Within India	15,989.65	18,838.54
Outside India	-	-
Total	**15,989.65**	**18,838.54**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and mortgage of personal properties of directors in addition to their personal guarantees.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31,2024

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	8	6,666.65	10	5,833.35	-	-	12,500.00
	10.01%-11.00%	4	3,500.00	-	-	-	-	3,500.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**10,166.65**	**-**	**5,833.35**	**-**	**-**	**16,000.00**
Add : Interest accrued but not due								100.62
Less : Unamortized Finance Cost								(110.97)
Total Amortized Cost			**10,166.65**		**5,833.35**		**-**	**15,989.65**

Notes

to Financial Statements for the year ended March 31, 2024

Terms of repayment of Debt securities as on March 31,2023

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	-	-	-	-	-	-	-
	10.01%-11.00%	4	3,500.00	4	3,500.00	-	-	7,000.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	5,000.00	-	-	-	-	5,000.00
	9.51%-10.50%	2	6,500.00	-	-	-	-	6,500.00
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**15,000.00**	**-**	**3,500.00**	**-**	**-**	**18,500.00**
Add : Interest accrued but not due								385.72
Less : Unamortized Finance Cost								(47.18)
Total Amortized Cost			**15,000.00**		**3,500.00**		**-**	**18,838.54**

14 Borrowings (other than debt securities)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Term loans (Secured)		
from banks	153,795.49	111,172.40
from non banking financial companies	45,148.80	26,757.56
from financial institutions	10,501.29	4,454.33
Loans repayable on demand (Secured):		
Cash credit from Bank	31,483.29	26,112.03
Associated liabilities in respect of securitisation transactions	-	-
Total	**240,928.87**	**168,496.32**
Borrowings:		
Within India	240,928.87	168,496.32
Outside India		
Total	**240,928.87**	**168,496.32**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

Notes

to Financial Statements for the year ended March 31, 2024

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/ promoter to the extent of INR 386.20Cr (March 31, 2023: INR 332.20 Cr).

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of borrowings (other than debt) as on March 31, 2024

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	42	3,855.56	30	2,094.16	-	-	5,949.72
	9.01%-10.50%	477	38,149.63	707	59,524.06	-	-	97,673.69
	10.51%-11.50%	65	6,938.07	7	1,028.54	-	-	7,966.61
	11.51%-12.50%	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	3	1,360.00	-	-	3,180.00
	8.01%-9.00%	11	2,734.81	6	1,363.52	-	-	4,098.33
	9.01%-10.50%	97	26,271.68	183	52,257.31	2.00	625.00	79,153.99
	10.51%-11.50%	7	2,534.09	8	2,209.42	-	-	4,743.51
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	7.01%-8.00%	-	-	1	7,500	-	-	7,500.00
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.50%	-	-	-	-	-	-	
	10.51%-11.50%	-	-	-	-	-	-	
Total			**82,303.85**		**127,337.01**		**625.00**	**210,265.86**
Add : Interest accrued but not due								498.28
Less : Unamortized Finance Cost								(1,318.56)
Total Amortized Cost			**82,303.85**	**-**	**127,337.01**	**-**	**625.00**	**209,445.58**

Notes

to Financial Statements for the year ended March 31, 2024

Terms of repayment of borrowings (other than debt) as on March 31, 2023

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	71	5,190.28	100	7,240.50	-	-	12,430.78
	9.01%-10.50%	275	22,070.18	417	32,909.19	-	-	54,979.37
	10.51%-11.50%	36	2,262.97	38	2,463.37	-	-	4,726.34
	11.51%-12.50%	3	115.38	-	-	-	-	115.38
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	7	3,180.00	-	-	5,000.00
	8.01%-9.00%	25	6,060.44	37	9,988.05	-	-	16,048.49
	9.01%-10.50%	62	14,416.67	112	26,683.06	-	-	41,099.73
	10.51%-11.50%	9	3,333.20	16	5,380.49	-	-	8,713.69
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**55,269.12**		**87,844.66**		**-**	**143,113.78**
Add : Interest accrued but not due								196.30
Less : Unamortized Finance Cost								(925.79)
Total Amortized Cost			**55,269.12**	**-**	**87,844.66**	**-**	**-**	**142,384.29**

15 Subordinated Liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,372.47	16,345.06
Indian rupee loan from banks (Tier-II)	-	-
Total	**16,372.47**	**16,345.06**
Subordinated Liabilities:		
Within India	16,372.47	16,345.06
Total	**16,372.47**	**16,345.06**

Terms of repayment of subordinated liabilities as on March 31, 2024

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	>12.51%			2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.59
Less : Unamortized Finance Cost								(138.12)
Total Amortized Cost					**6,500.00**		**-**	**16,372.47**

Notes

to Financial Statements for the year ended March 31, 2024

Terms of repayment of subordinated liabilities as on March 31, 2023

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	>12.51%			1	2,500.00	1	14,000.00	16,500.00
Total					**2,500.00**		**14,000.00**	**16,500.00**
Add : Interest accrued but not due								8.98
Less : Unamortized Finance Cost								(163.92)
Total Amortized Cost					**2,500.00**		**14,000.00**	**16,345.06**

16 Other financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	277.11	278.39
Employee benefits payable	478.37	318.14
Expenses payable	10.11	26.79
Other Payables	419.67	233.80
Security deposit from franchisees and Customers	1,979.77	431.47
Payable towards securitisation / assignment transactions	2,305.68	1,632.75
Total	**5,470.71**	**2,921.34**

17 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity	226.21	154.38
Provision for leave benefits	62.16	56.12
Total	**288.37**	**210.50**

18 Other non-financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	275.74	179.07
Total	**275.74**	**179.07**

Notes

to Financial Statements for the year ended March 31, 2024

19. Equity share capital

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of INR 10 each	80,000,000	8,000.00	80,000,000	8,000.00
Preference shares of INR 100 each	2,500,000	2,500.00	2,500,000	2,500.00
	82,500,000	**10,500.00**	**82,500,000**	**10,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of INR 10 each fully paid up	70,156,445	7,015.64	64,575,050	6,457.51
Coverted from Partly Paid to Fully Paid Equity Shares	-	-		
	70,156,445	**7,015.64**	**64,575,050**	**6,457.51**
Issued, subscribed and fully paid-up shares				
Equity Shares of INR 10 each, Fully paid up INR 10 per share	-	-	-	-
Converted to Fully Paid Equity Shares			-	-
	-	-	-	-
Total	**70,156,445**	**7,015.64**	**64,575,050**	**6,457.51**

A. Reconciliation of number of shares

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Fully paid equity share of INR 10 each				
At the beginning of the year	64,575,050	6,457.51	52,659,067	5,265.91
Shares issued during the year	5,581,395	558.14	11,915,983	1,191.60
Coverted from Partly Paid to Fully Paid Equity Shares	-	-		
Outstanding at the end of the year	**70,156,445**	**7,015.64**	**64,575,050**	**6,457.51**
Partly paid up equity share of INR 10 each, partly paid up INR 10 per share				
At the beginning of the year	-	-	-	-
Amount called/Issued during the year	-	-	-	-
Converted to Fully Paid Equity Shares	-	-	-	-
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes:

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Notes

to Financial Statements for the year ended March 31, 2024

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

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of INR 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	19,853,581	28.30%	19,853,581	30.74%
India Business Excellence Fund-IIA	13,051,546	18.60%	13,051,546	20.21%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	7,804,018	11.12%	7,804,018	12.09%
Accion Digital Transformation Fund , LP	5,581,395	7.96%	5,581,395	8.64%
Teachers Insurance And Annuity Association Of America	5,581,395	7.96%	-	-

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

D. Shareholding of Promotors

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
a. Equity shares of INR 10 each fully paid up						
Vupputuri Gopala Kishan Prasad	19,853,581	28.30%	0.00%	19,853,581	30.74%	0.56%
Vupputuri Indira Devi	1,648,142	2.35%	0.00%	1,648,142	2.55%	0.00%
Koganti Vasumathi Devi	2,647,266	3.77%	0.00%	2,647,266	4.10%	0.00%
Devineni Vasantha Lakshmi	2,491,794	3.55%	0.00%	2,491,794	3.86%	0.00%
Vupputuri Raghu Ram	1,800,670	2.57%	0.00%	1,800,670	2.79%	0.00%
Durga Rani Chunduri	1,494,100	2.13%	0.00%	1,494,100	2.31%	0.00%
Sinha Satyanand Chunduri	117,700	0.17%	0.00%	117,700	0.18%	0.00%

E. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹ 10 each, fully paid up, allotted on conversion of 19,53,125/- 0.01% Compulsorily convertible preference share of INR 100 each, Fully paid-up	-	-	-		

Notes

to Financial Statements for the year ended March 31, 2024

20. Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	32.50	32.50
Securities premium reserve	45,454.27	34,891.60
Share Based Payment reserve	21.71	20.63
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,533.09	5,993.60
General reserve	1,856.36	1,471.49
Retained earnings	26,152.48	20,382.66
Total	**81,050.41**	**62,792.48**

A. Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

b. Securities premium reserve

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

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934

d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

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

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Notes

to Financial Statements for the year ended March 31, 2024

B. Movement in Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
I. Capital Reserve		
Opening balance	32.50	32.50
Add : Share issued during the year	-	-
	32.50	**32.50**
II. Securities premium reserve		
Opening balance	34,891.60	10,576.37
Add : Premium received on issue of securities	11,441.85	24,315.23
Less : Share issue expenses	(879.18)	
	45,454.27	34,891.60
Impact of first time adoption of Ind AS	-	-
	45,454.27	**34,891.60**
III. Share Based Payment reserve		
Opening balance	20.63	24.62
Add : During the year	1.08	(3.99)
	21.71	**20.63**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	5,993.60	4,993.50
Add : Transfer from retained earnings	1,539.49	1,000.10
	7,533.09	**5,993.60**
V. General Reserve		
Opening balance	1,471.49	1,221.46
Add : Transfer from retained earnings	384.87	250.03
	1,856.36	**1,471.49**
VI. Retained earnings		
Opening balance	20,382.66	16,622.42
Add : Profit for the year	7,697.44	5,000.51
Add : Other comprehensive income	(3.26)	9.86
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(1,539.49)	(1,000.10)
Transfer to General reserve	(384.87)	(250.03)
Total	**26,152.48**	**20,382.66**

21 Interest income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised cost		
Interest on loans	41,274.15	27,669.51
Interest on deposits with banks	221.35	122.43
Interest on investment in debentures	1,808.29	606.38
Income from investment from Mutual Funds	0.22	-
Total	**43,304.01**	**28,398.32**

Notes

to Financial Statements for the year ended March 31, 2024

22 Fees and commission income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Other fees and charges	98.89	93.92
Total	**98.89**	**93.92**

23 Other Operating Income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Bad debts recovered	19.64	3.20
Total	**19.64**	**3.20**

24 Other income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on income tax refund	16.48	-
Rental income	9.15	7.63
Miscellaneous Income	299.41	156.60
Total	**325.04**	**164.24**

25 Finance costs

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on deposits	67.09	50.07
Interest on borrowings	16,816.32	11,440.35
Interest on commercial paper and bonds	-	-
Interest on debentures	1,554.49	1,354.17
Interest on subordinated liabilities	2,353.96	1,506.21
Interest on ICD	-	126.42
Interest on lease liabilities	37.43	33.63
Interest on securitisation	-	99.70
Bank Charges	6.74	5.51
Other finance cost	1,186.82	786.57
Total	**22,022.85**	**15,402.63**

26 Impairment on financial instruments

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial instruments measured at amortised cost		
Loans	599.58	(44.98)
Trade receivables	-	-
Bad debts and write offs	1,040.93	584.83
Total	**1,640.51**	**539.85**

Notes

to Financial Statements for the year ended March 31, 2024

27 Employee benefits expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	6,744.35	4,057.01
Contribution to provident and other funds	324.99	216.75
Share based payment to employees	1.08	(3.99)
Staff welfare expenses	176.39	84.87
Gratuity	73.57	47.37
Leave encashment	8.78	(104.57)
Total	**7,329.16**	**4,297.44**

28 Depreciation, amortization and impairment

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment	84.58	75.91
Depreciation on right to use assets	203.75	139.86
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	52.39	48.29
Total	**340.89**	**264.23**

29 Other expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent	326.31	245.30
Communication cost	86.06	75.23
Travelling and conveyance	315.09	212.14
Rates and taxes	553.54	379.17
Insurance	2.48	3.31
Commission and Brokerage	47.14	49.38
Repairs and maintenance	106.01	72.54
Printing and stationary	29.46	40.64
Payment to auditors (Refer Note 27.1)	33.05	26.20
Advertisement, publicity and sales promotion expenses	11.39	11.49
Operation Cost	44.67	31.30
Legal and professional fees	234.25	144.54
Corporate social responsibility (Refer Note 27.2)	111.10	91.29
Director sitting fees	20.75	7.50
Loss on sale of property, plant and equipment	-	1.91
Loss on sale of Investment Property	-	3.15
Miscellaneous expenses	155.24	29.71
Total	**2,076.54**	**1,424.80**

Notes

to Financial Statements for the year ended March 31, 2024

29.1 Payment to the auditors:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration		
- Audit fees (including Limited review fees)	31.00	25.00
In other capacity		
- Certification services	2.05	1.20
Other of pocket expenses	-	-
Total	**33.05**	**26.20**

29.2 Corporate social responsibility:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Amount required to be spent by the company during the year	110.52	90.94
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	111.10	91.29
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR activities	HealthCare , Education & Skill Development , Gender Equality and Empowerment ,Environment.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standards	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

30 Income tax

(a) Income tax expense

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax on profits for the year	2,600.55	1,461.47
Adjustment for current tax of the prior periods	8.82	12.91
Subtotal (A)	**2,609.37**	**1,474.38**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(236.31)	(91.42)
(Decrease)/Increase in deferred tax liabilities	268.22	343.94
Subtotal (B)	**31.91**	**252.53**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	**1.10**	**(3.32)**
Income tax expense for the year (A+B+C)	**2,640.19**	**1,730.22**

Notes

to Financial Statements for the year ended March 31, 2024

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2024:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	52.98	18.50	1.10	72.58
Impact of provision for expected credit loss on loans	605.48	150.90		756.38
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	8.68	5.77		14.44
Impact of leases under Ind AS 116	70.06	(0.32)		69.74
Share based payment	5.20	0.27		5.47
Others	-	-		-
EIR impact of financial asssets and liabilities	11.06	62.29		73.35
(A)	**753.46**	**237.40**	**1.10**	**991.95**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	286.13	108.35		394.48
EIR impact of financial asssets and liabilities				
Impact of direct assignment and securitisaton transactions	475.01	126.07		601.08
Interest income recognised on stage 3 loans	113.11	35.83		148.94
Others	68.03	(2.04)		65.99
(B)	**942.28**	**268.22**	**-**	**1,210.50**
Deferred tax liabilities (net) (A-B)	**(188.82)**	**(30.82)**	**1.10**	**(218.55)**

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	77.11	(20.81)	(3.32)	52.98
Impact of provision for expected credit loss on loans	617.45	(11.97)	-	605.48
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	4.98	3.70	-	8.68
Impact of leases under Ind AS 116	2.92	67.14	-	70.06
Share based payment	6.21	(1.01)	-	5.20
Others	-		-	-
EIR impact of financial asssets and liabilities	(39.98)	51.05		11.06
(A)	**668.67**	**88.10**	**(3.32)**	**753.46**

Notes

to Financial Statements for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	120.56	165.58	-	286.13
EIR impact of financial asssets and liabilities	-	-	-	-
Impact of direct assignment and securitisaton transactions	379.46	95.55	-	475.01
Interest income recognised on stage 3 loans	95.60	17.51	-	113.11
Others	2.71	65.31	-	68.03
(B)	**598.33**	**343.94**	**-**	**942.28**
Deferred tax liabilities (net) (A-B)	**70.34**	**(255.84)**	**(3.32)**	**(188.82)**

(c) Reconciliation of effective tax rate

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	INR	INR
Profit before tax as per Statement of profit and loss (A)	10,337.63	6,730.73
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	2,601.77	1,693.99
Tax effect of:		
Effect of income exempt from tax	(0.66)	(0.55)
Effect of expenses/provisions not deductible in determining taxable profit	28.32	23.31
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	8.82	12.91
Others	1.93	0.56
Income tax expense	**2,640.19**	**1,730.22**

31 Employee Benefits

a. Defined contribution plan - provident funds

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

The Company recognised INR 324.99 lakhs (PY: INR 216.75 lakhs) for year ended March 31, 2024, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of INR 20 lakhs as per The Payment of Gratuity Act. 1972.

Notes

to Financial Statements for the year ended March 31, 2024

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation (A)	226.21	154.38
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	**226.21**	**154.38**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Obligation expected to be settled in the next 12 months	21.44	15.02
Obligation expected to be settled beyond next 12 months	204.77	139.37

Movement in net defined benefit (asset) liability

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

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balance	154.38	122.20	-	-	154.38	122.20
Current service cost	62.18	38.50	-	-	62.18	38.50
Past service cost	-	-	-	-	-	-
Interest cost (income)	11.39	8.87	-	-	11.39	8.87
Defined benefit cost included in P&L	73.57	47.37	-	-	73.57	47.37
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	4.30	(1.89)	-	-	4.30	(1.89)
Experience adjustments	(0.63)	(10.87)	-	-	(0.63)	(10.87)
Total remeasurements in OCI	3.67	(12.77)	-	-	3.67	(12.77)
Others						
Benefits paid	(5.42)	(2.42)	-	-	(5.42)	(2.42)
Closing balance	226.21	154.38	-	-	226.21	154.38

Notes

to Financial Statements for the year ended March 31, 2024

Actuarial assumptions:

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.23%	7.51%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	9.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate(as % of above mortality rate)	0.00%	0.00%
Expected weighted average remaining working lives of employees	25.18 years	25.36 years

Notes:

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

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

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

d) Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

Sensitivity analysis:

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

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	242.47	211.65	165.19	144.64
	7.19%	-6.44%	7.00%	-6.31%
Discount Rate (+/- 1%)	211.53	242.88	144.60	165.47
	-6.49%	7.37%	-6.34%	7.18%
Withdrawal Rate (+/- 1%)	225.68	226.63	154.54	154.13
	-0.23%	0.18%	0.10%	-0.17%

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

Notes
to Financial Statements for the year ended March 31, 2024

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be INR Nil

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations	
Year 1	21.64
Year 2	32.61
Year 3	16.21
Year 4	27.08
Year 5	21.37
Year 6	19.59
Year 7	19.83
Year 8	21.61
Year 9	23.23
Year 10	20.59
Year 11+	200.47

The weighted average duration of the defined benefit obligation is 7.93

c. Compensated absences :

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation	62.16	56.12
Expenses recognised in the Statement of Profit and Loss	8.78	(104.57)

32 Earnings per share

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit for the year	7,697.44	5,000.51
Weighted average number of equity shares used in calculating basic earnings per share	680.00	536.99
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.23	0.19
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	680.23	537.18
Basic earnings per share	**11.32**	**9.31**
Diluted earnings per share	**11.32**	**9.31**

Notes

to Financial Statements for the year ended March 31, 2024

33 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

34 Transfer of financial assets

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	-	-
Carrying amount of associated liabilities	-	-

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

Transfer of financial assets which qualify for derecognition in their entirety

(i) Assignment transaction

The Company has sold loans and advances measured at amortised cost under assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

The table below summarises the carrying amount of the Excess Interest Spread (EIS) receivable on above transaction which are derecognised

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of EIS receivable	2,429.00	1,926.33

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

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

Notes

to Financial Statements for the year ended March 31, 2024

35 Maturity analysis of assets and liabilities

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

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,407.96		4,407.96	23,039.43	-	23,039.43
Bank Balance other than cash and cash equivalents	2678.96	344.45	3,023.41	4280.30	1292.87	5,573.17
Receivables						
(I) Trade receivables	145.64		145.64			-
(II) Other receivables			-			-
Loans	114359.15	211171.59	325,530.74	76173.43	134581.08	210,754.51
Investments	12,405.62	15,219.23	27,624.85	20,047.82	10,762.73	30,810.55
Other Financial assets	1,700.08	1,054.91	2,754.99	1,385.83	834.30	2,220.13
Sub total	**135,697.42**	**227,790.18**	**363,487.60**	**124,926.82**	**147,470.98**	**272,397.79**
Non-financial assets						
Current Tax assets (Net)	43.25		43.25	372.98	-	372.98
Deferred Tax assets (Net)		-	-	-	-	-
Investment Property		130.03	130.03	-	72.14	72.14
Property, plant and equipment		237.54	237.54	-	250.23	250.23
Right to Use Assets		262.17	262.17	-	270.26	270.26
Capital work in progress		47.59	47.59			
Intangibles assets under development		13.20	13.20			
Intangible assets		123.99	123.99	-	156.38	156.38
Other non-financial assets	0.28	3,264.77	3,265.05	31.71	2,878.14	2,909.85
Sub total	**43.53**	**4,079.29**	**4,122.81**	**404.69**	**3,627.16**	**4,031.85**
Total assets	**135,740.95**	**231,869.47**	**367,610.42**	**125,331.50**	**151,098.13**	**276,429.64**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Debt Securities	10,267.27	5,722.38	15,989.65	15,385.72	3,452.82	18,838.53
Borrowings (Other than Debt Securities)	114,285.41	126,643.45	240,928.87	81,577.44	86,918.88	168,496.32
Subordinated Liabilities	10.59	16,361.88	16,372.47	8.98	16,336.07	16,345.06
Other Financial liabilities	3,615.27	1,855.45	5,470.71	2,641.02	280.32	2,921.34
Sub total	**128,178.54**	**150,583.16**	**278,761.69**	**99,613.16**	**106,988.10**	**206,601.25**
Non-Financial liabilities						
Provisions	-	288.37	288.37	26.62	183.87	210.50
Deferred tax liabilities (Net)	-	218.55	218.55	188.82		188.82
Other non-financial liabilities	188.72	87.02	275.74	179.07	-	179.07
Sub total	**188.72**	**593.94**	**782.65**	**394.51**	**183.87**	**578.38**
Total liabilities	**128,367.25**	**151,177.10**	**279,544.35**	**100,007.67**	**107,171.97**	**207,179.64**

Notes

to Financial Statements for the year ended March 31, 2024

36 Changes in liabilities arising from financing activities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	Cash Flows (net)	Others (net)*	As at March 31, 2024
Subordinated liabilities	16,345.05	(0.00)	27.41	16,372.45
Debt securities	18,838.55	(2,500.00)	(348.89)	15,989.66
Borrowing other than debt securities	168,496.31	72,523.33	(90.78)	240,928.86
	203,679.91	**70,023.33**	**(412.26)**	**273,290.98**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	Cash Flows (net)	Others (net)*	As at March 31, 2023
Subordinated liabilities	6,003.44	10,500.00	(158.39)	16,345.05
Debt securities	15,186.48	3,600.00	52.07	18,838.55
Borrowing other than debt securities	109,462.84	60,356.30	(1,322.82)	168,496.31
	130,652.75	**74,456.30**	**(1,429.14)**	**203,679.91**

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

37 Employee Stock Option Plan (ESOP)

The Company had granted 5,62,860 Equity shares (face value of INR 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited. The shares will vest gradually and vesting of these shares is dependent on continued employment with the company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2024 is INR 1.08 lakhs (March 31, 2023 - INR (4.00) lakhs).

B. Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

(Currency : ₹ in lakhs)

	As at March 31, 2024		As at March 31,2023	
Particulars	Number	WAEP	Number	WAEP
Outstanding at 1 April	146,800.00	120.00	206,000.00	120.00
Granted during the year	-		-	
Forfeited during the year		120.00	59,200.00	120.00
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at 31 March	146,800.00	120.00	146,800.00	120.00
Exercisable at 31 March	146,800.00	120.00	102,760.00	120.00

Notes
to Financial Statements for the year ended March 31, 2024

No Share options granted during the year. No options were vested or exercised during the year.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2024 is 0 years (March 31, 2023: 0.15 years).

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79

C. Fair value of options granted

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79. The fair value of options was determined using the Black Scholes Model using the following inputs as follows :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average fair values at the measurement date	14.79	14.79
Expected volatility (%)	0.36%	0.36%
Risk–free interest rate (%)	4.50%	4.50%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1.30 years to 4.30 years
Weighted average share price (INR)	120.00	120.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

38 Contingent liabilities and commitments

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

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

38.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2024 (March 31, 2023: INR 0.)

38.2 Commitment

There is a capital commitment of INR 4478.10 lakhs as on March 31, 2024 (March 31, 2023: INR 0.)

39 Leases

Company as a Lessee

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

Notes

to Financial Statements for the year ended March 31, 2024

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

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

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

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

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

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	270.29	10.78
Additions	195.63	399.37
Deletion	-	-
Depreciation	(203.75)	(139.86)
Closing Balance	**262.17**	**270.29**

The following is the movement in lease liabilities :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	278.39	11.61
Additions	178.98	380.28
Finance cost accrued during the period	37.43	33.63
Payment of lease liabilities	(217.69)	(147.12)
Balance at the end	**277.11**	**278.39**

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to Financial Statements for the year ended March 31, 2024

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 3 months	59.08	38.51
Over 3 months & upto 6 months	59.75	38.51
Over 6 months & upto 1 year	119.55	77.05
Over 1 year & upto 3 years	51.22	164.28
Over 3 years	2.10	-

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

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation expense of right-of-use assets	203.75	139.86
Interest expense on lease liabilities	37.43	33.63
Expense relating to short-term leases	326.31	245.30
Total amount recognised in profit or loss	**567.49**	**418.79**

Future Commitments:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024
Future undiscounted lease payments for which the leases have not yet commenced	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2024.

40 Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes

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(Currency : ₹ in lakhs)

	As at March 31, 2024			As at March 31,2023
Particulars	**Numerator**	**Denominator**	**Ratio**	**Ratio**
Capital to Risk Weighted Assets Ratio (CRAR)	93,682.81	353527.41	26.50%	33.02%
Tier I CRAR	80,105.69	353527.41	22.66%	26.25%
Tier II CRAR	13,577.12	353527.41	3.84%	6.77%

41 Analytical Ratios

(Currency : ₹ in lakhs)

	As at March 31, 2024			As at March 31,2023	% Variance	Reasons for Variance (if above 25%)
Particulars	**Numerator**	**Denominator**	**Ratio**	**Ratio**		
Capital to Risk Weighted Assets Ratio (CRAR)	93,682.81	353527.41	26.50%	33.02%	-19.74%	NA
Tier I CRAR	80,105.69	353527.41	22.66%	26.25%	-13.67%	NA
Tier II CRAR	13,577.12	353527.41	3.84%	6.77%	-43.28%	No new Tier II capital raised during current financial year 2023-24
Liquidity Coverage Ratio	-	-	NA	NA	NA	NA

Note: As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, liquidity coverage ratio is not applicable on the company.

42 Fair Value Measurement:

A. Valuation Principles

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

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

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

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

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

(Currency : ₹ in lakhs)

Particulars		Fair Value		Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	**Category**	**As at March 31, 2024**	**As at March 31, 2023**				
Investment in Market Linked Debentures	FVTPL	0.00	15,960.75	Level 2	Mark-to-Market of the debt instrument	Valuation received from the rating agency	NA

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

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

(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial Assets					
Cash and cash equivalents	1	4,407.96	23,039.43	4,407.96	23,039.43
Bank Balance other than cash and cash equivalents	1	3,023.41	5,573.17	3,023.41	5,573.17
Trade receivables	2	145.64	-	145.64	-
Loans	2	325,530.75	210,754.51	327,908.23	212,021.80
Rent and utility deposits	2	303.42	239.69	303.42	239.69
EIS receivable	2	2,429.00	1,926.33	2,429.00	1,926.33
Other financial assets	2	22.57	54.11	22.57	54.11
Investment in debentures	2	12,405.62	4,087.07	12,405.62	4,087.07
		348,268.38	**245,674.31**	**350,645.86**	**246,941.60**
Financial Liabilities					
Debt securities	2	15,989.65	18,838.54	16,107.29	19,252.78
Borrowings (other than debt securities)	2	240,928.87	168,496.32	240,821.61	168,231.86
Subordinated Liabilities	2	16,372.47	16,345.06	16,509.34	16,458.38
Other financial liabilities	2	5,470.71	2,921.34	5,470.71	2,921.34
Total Financial liabilities		**278,761.70**	**206,601.26**	**278,908.95**	**206,864.36**

Investment in subsidiary is measured at cost in accordance with Ind AS 27.

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for

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disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

C. Categories of Financial Instruments :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	4,407.96	-	-	4,407.96
Bank Balance other than included in (a) above	3,023.41	-	-	3,023.41
Receivables		-	-	-
(I) Trade receivables	145.64	-	-	145.64
(II) Other receivables		-	-	-
Loans	325,530.75	-	-	325,530.75
Investments	12,405.62	-	15,219.23	27,624.85
Other financial assets	2,754.99	-	-	2,754.99
Total	**348,268.37**	**-**	**15,219.23**	**363,487.60**
Debt securities	15,989.65	-	-	15,989.65
Borrowings (other than debt securities)	240,928.87	-	-	240,928.87
Deposits	-	-	-	-
Subordinated Liabilities	16,372.47	-	-	16,372.47
Other financial liabilities	5,470.71	-	-	5,470.71
Total	**278,761.70**	**-**	**-**	**278,761.70**

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	23,039.43	-	-	23,039.43
Bank Balance other than included in (a) above	5,573.17	-	-	5,573.17
Receivables		-	-	-
(I) Trade receivables		-	-	-
(II) Other receivables		-	-	-
Loans	210,754.51	-	-	210,754.51
Investments	4,087.07	15,960.75	10,762.73	30,810.55
Other financial assets	2,220.12	-	-	2,220.12
Total	**245,674.31**	**15,960.75**	**10,762.73**	**272,397.79**
Debt securities	18,838.54	-	-	18,838.54
Borrowings (other than debt securities)	168,496.32	-	-	168,496.32
Deposits		-	-	-
Subordinated Liabilities	16,345.06	-	-	16,345.06
Other financial liabilities	2,921.34	-	-	2,921.34
Total	**206,601.26**	**-**	**-**	**206,601.26**

43 Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

43.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

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43.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Impairment assessment

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

Definition of default and cure

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

The staging criteria used by the Company is as below:

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

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

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

Exposure at default (EAD)

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

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for

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a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD

Loss given Default (LGD)

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

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

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

Significant increase in credit risk

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

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

Gross movement of loans for the year ended March 31, 2024:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023				
Term loans	169,430.51	38,155.74	6,058.32	213,644.56
Staff loans	83.39	-	-	83.39
New loans originated during the year				-
Term loans	208,929.41	6,339.01	432.55	215,700.97
Staff loans	15.00	-	-	15.00
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	7,530.54	(7,335.14)	(195.40)	-
Transfers to Stage 2	(8,845.49)	9,036.91	(191.42)	-
Transfers to Stage 3	(2,413.01)	(2,378.10)	4,791.11	-
Interest on stage 3 loans			142.38	142.38
Amounts written off				
Term loans	(383.26)	(288.85)	(352.10)	(1,024.21)
Staff loans				-
Assets derecognised or repaid (excluding write offs)				
Term loans	(76,466.30)	(20,005.41)	(2,956.60)	(99,428.32)
Staff loans	(30.00)	-	-	(30.00)
Gross carrying amount as at March 31, 2024				
Term loans	**297,782.39**	**23,524.15**	**7,728.83**	**329,035.38**
Staff loans	**68.39**	**-**	**-**	**68.39**

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Gross movement of loans for the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022				
Term loans	129,809.42	25,161.20	4,338.15	159,308.77
Staff loans	35.04	-	-	35.04
New loans originated during the year				-
Term loans	118,581.75	7,959.69	729.63	127,271.07
Staff loans	48.80	-	-	48.80
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	1,555.80	(1,542.59)	(13.21)	-
Transfers to Stage 2	(21,396.99)	21,423.38	(26.39)	-
Transfers to Stage 3	(1,577.21)	(1,524.33)	3,101.54	-
Interest on stage 3 loans	-	-	69.56	69.56
Amounts written off				
Term loans	(123.40)	(27.92)	(343.48)	(494.81)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(57,418.86)	(13,293.70)	(1,797.48)	(72,510.03)
Staff loans	(0.45)	-	-	(0.45)
Gross carrying amount as at March 31, 2023				
Term loans	**169,430.51**	**38,155.74**	**6,058.32**	**213,644.56**
Staff loans	**83.39**	**-**	**-**	**83.39**

ECL movement of term loans during the year ended March 31, 2024:-

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023	973.33	711.90	1,288.21	2,973.44
New loans originated during the year	931.13	104.84	77.16	1,113.12
Inter-stage movements:				
Transfers to Stage 1	245.28	(217.57)	(27.71)	-
Transfers to Stage 2	(86.60)	96.23	(9.62)	-
Transfers to Stage 3	(15.21)	(60.77)	75.98	-
Amounts written off	(14.70)	(17.15)	(294.08)	(325.94)
Assets derecognised or repaid (excluding write offs)	(90.90)	(108.60)	(261.29)	(460.78)
Net Remeasurement of ECL arising from transfer of stage	(565.21)	(138.00)	976.39	273.18
Gross carrying amount as at March 31, 2024	**1,377.12**	**370.87**	**1,825.02**	**3,573.02**

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ECL movement of term loans during the year ended March 31, 2023:-

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022	989.64	563.47	1,465.31	3,018.42
New loans originated during the year	709.16	140.40	87.58	937.14
Inter-stage movements:				
Transfers to Stage 1	45.96	(42.41)	(3.55)	-
Transfers to Stage 2	(276.13)	294.27	(18.14)	-
Transfers to Stage 3	(18.96)	(53.80)	72.76	-
Amounts written off	(4.80)	(4.38)	(320.19)	(329.36)
Assets derecognised or repaid (excluding write offs)	(130.05)	(150.56)	(321.64)	(602.25)
Net Remeasurement of ECL arising from transfer of stage	(341.49)	(35.09)	326.07	(50.50)
Gross carrying amount as at March 31, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**

Concentration of Credit Risk

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

(Currency : ₹ in lakhs)

Geography	March 31, 2024.	March 31, 2023.
West	101,475.53	59,658.29
Central	15,489.37	8,709.95
South	211,838.65	145,276.32
East	300.21	-
	329,103.76	**213,644.56**

Quantitative Information of Collateral

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

(Currency : ₹ in lakhs)

As at March 31, 2024	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	2193.04	26,167.79	18,645.01	47,005.84
Commercial Vehicles	3,573.86	37,450.85	59,464.10	100,488.81
Construction Equipment	8,945.17	24,092.29	47,157.09	80,194.55
Three Wheeler	32.93	8,624.86	1,499.99	10,157.78
Tractor	207.46	3,210.61	725.6	4,143.67
Two Wheeler	961.67	2,460.66	208.71	3,631.04
SME	10,142.47	10,253.85	63,085.75	83,482.07
Total	**26,056.60**	**112,260.91**	**190,786.25**	**329,103.76**

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(Currency : ₹ in lakhs)

As at March 31, 2023	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,130.94	23,463.73	12,695.19	37,289.86
Commercial Vehicles	1,578.17	31,736.73	29,246.64	62,561.54
Construction Equipment	4,047.76	17,681.56	23,318.34	45,047.66
Three Wheeler	34.88	10,852.93	1,572.51	12,460.32
Tractor	152.27	2,362.86	408.85	2,923.98
Two Wheeler	894.05	1,080.67	462.34	2,437.06
SME	39,829.78	4,335.27	6,759.09	50,924.14
Total	**47,667.85**	**91,513.75**	**74,462.96**	**213,644.56**

43.3 Liquidity Risk

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

Analysis of financial assets and liabilities by remaining contractual maturities:

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2024.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	4,407.96	-	-	-	-	4,407.96
Bank Balance other than included in (a) above	1,347.34	454.81	876.81	344.45	-	3,023.41
Trade receivables	-	145.64	-	-	-	145.64
Loans	42,718.09	39,537.96	73,890.91	202,785.65	65,194.94	424,127.56
Investments	12,404.02	1.61	-	-	15,219.23	27,624.85
Other financial assets	600.54	469.45	715.44	1,184.73	10.42	2,980.60
Total undiscounted financial assets	**61,477.95**	**40,609.48**	**75,483.16**	**204,314.84**	**80,424.59**	**462,310.01**
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	582.39	587.88	1,162.30	6,953.27	16,166.55	25,452.39
Debt securities	2,940.38	2,879.91	5,562.28	6,297.42	-	17,679.99
Borrowings (other than debt securities)	27,411.39	27,248.89	78,790.47	122,178.03	21,003.06	276,631.84
Other financial liabilities	3,049.04	384.63	213.59	1,531.40	429.04	5,607.72
Total undiscounted financial liabilities	**33,983.20**	**31,101.31**	**85,728.64**	**136,960.13**	**37,598.65**	**325,371.93**
Net undiscounted financial assets / (liabilities)	**27,494.75**	**9,508.17**	**(10,245.48)**	**67,354.71**	**42,825.94**	**136,938.08**

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The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2023.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	6,239.43	-	16,800.00	-	-	23,039.43
Bank Balance other than included in (a) above	3,587.71	514.95	294.64	1,389.27	-	5,786.57
Loans	24,272.24	27,193.57	52,365.27	139,232.39	24,521.28	267,584.76
Investments	20,047.82	-	-	-	10,762.73	30,810.55
Other financial assets	521.66	385.06	580.15	692.05	254.36	2,433.27
Total undiscounted financial assets	**54,668.86**	**28,093.58**	**70,040.06**	**141,313.70**	**35,538.36**	**329,654.57**
Financial liabilities						
Subordinated Liabilities	566.01	571.32	1,137.10	4,539.82	20,644.59	27,458.84
Debt securities	6,310.82	2,983.62	7,116.57	3,732.82	-	20,143.83
Borrowings (other than debt securities)	20,277.82	17,255.58	56,758.18	85,377.77	11,035.39	190,704.73
Other financial liabilities	2,470.62	55.10	123.90	279.57	51.21	2,980.40
Total undiscounted financial liabilities	**29,625.26**	**20,865.62**	**65,135.76**	**93,929.97**	**31,731.19**	**241,287.80**
Net undiscounted financial assets / (liabilities)	**25,043.60**	**7,227.96**	**4,904.30**	**47,383.73**	**3,807.17**	**88,366.77**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Currency : ₹ in lakhs)

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2024						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2023						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**

43.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

Notes

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The Company has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

(Currency : ₹ in lakhs)

Geography	March 31, 2024.	March 31, 2023.
On Floating Rate Borrowings:		
1% increase in interest rates	(1,475.56)	(1,215.02)
1% decrease in interest rates	**1,475.56**	**1,215.02**

43.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

43.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

44 Related Party Disclosure

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund -IIA
	Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust -II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises in which directors are interested	SVR Finance & Leasing Private Limited
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Relative of Key Management Personnel	Mrs. D. Vasantha Lakshmi Mr. V. Raghu Ram Mr. Sinha Satyanand Chunduri Mrs. Durga Rani Chunduri
Key Management Personnel (KMP)	Mr V.G.K.Prasad — Chairman Mrs. V. Indira Devi — Whole time Director(upto 14th July 2023) Mrs. K Vasumathi Devi — Managing Director Mr.Sreepal Gulabchand Jain-Chief Financial Officer(Upto 10th February 2023) Mr. Ch.Sreenivasa Rao - Company Secretary and Chief Financial Officer

b. Transaction with related parties:

(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
Key management personnel										
Mr. V G K Prasad	Rent paid	-	21.60	-	-	-	24.84	-	-	-
	Director's remuneration	-	84.00	-	-	-	119.60	-	-	-
	Director Commission Payable	51.02	63.27	-	51.02	63.27	135.52	-	63.27	135.52
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (INR 10/- Paid up)	1974.32*	-	-	-	1985.36*	-	-	-	1985.36*
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
Mrs. V Indira Devi	Rent paid	-	48.00	-	-	-	55.20	-	-	-
	Director's remuneration	-	36.00	-	-	-	10.40	-	-	-
	Salary Paid						3.00			
	Director Commission Payable	21.71	26.92	-	21.71	26.92	-	-	26.92	-
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (INR 10/- Paid up)	164.81	-	-	-	164.81	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up)**	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
Mrs.K.Vasumathi Devi	Director's remuneration	-	60.00	-	-	-	65.00	-	-	-
	Director Commission Payable	35.82	44.42	-	35.82	44.43	68.23	-	44.43	68.23
	Share Capital (INR 10/- Paid up)	264.73	-	-	-	264.73	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up)**	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
Mr.Sreepal Gulabchand Jain	Salary Paid	-	55.40	-	-	-	-	-	-	-
Mr.Ch.Sreenivasa Rao	Salary Paid	-	25.41	-	-	-	30.49	-	-	-
	Staff Loan	-	-	-	-	-	-	-	-	-
	Interest Received	-	-				-			
	ESOP Compensation	-	-	-	-	-	-	-	-	-
Relatives of key management personnel										

Notes

to Financial Statements for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
Mrs. D Vasantha Lakshmi	Share Capital (INR 10/- Paid up)	249.18	-	-	-	249.18	-	-	-	249.18
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-		-	-	-	
	Premium Received on Allotment of Partly Paid up Shares**	-	-	-	-		-	-	-	
	Purchase of IKF Home Finance Limited Shares	-	-	-	-	-	-	-	-	-
Mr. V Raghu Ram	Share Capital (INR 10/- Paid up)	180.07	-	-	-	180.07	-	-	-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares**	-	-	-	-		-	-	-	
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
IKF Home Finance Limited	Loan given	-	-	(400.00)	400.00	-	-	(4,470.00)	4,470.00	-
	Interest Received	-	1.42		-	-	0.62		-	-
	Inter Corporate deposits taken***	-	-	(27,000.00)	7,000.00	-	-	-	-	-
	Interest Paid	-	126.42	-	-	-	-	-	-	-
	Direct Assignment	2,782.98	-	(803.10)	-	1,979.88	-	(595.90)	-	1,383.98
	Interest Receivable on Direct Assignment	34.46	313.39	(318.87)	-	28.98	217.79	(225.96)	-	20.81
	Investments in equity shares by IKF Finance Ltd.,	6,252.92	-	-	4,509.81	10,762.73	-	-	4,456.50	15,219.23
	Investments in equity shares Refundable	1.75		(1.75)	-	-		-	-	-
	Service Fee Collected	-	28.35	-	-		38.11	-	-	
	Service Fee Paid	-	-	-	-		3.06	-	-	
	Purchase of IKF Home Finance Limited Shares	-		-	-			-	-	
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Non Convertible Debentures	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-		-	-	-	-	-	-
Enterprises having a significant influence										

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to Financial Statements for the year ended March 31, 2024

(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
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 ₹ 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 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 on preference shares	-	-		-	-				

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term employee benefits	429.24	395.42
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	**429.24**	**395.42**

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

* The Increased/Decreased value is relating to purchase of shares/debentures from the public.

** Partly paid shares are full paid and converted to fully paid equity shares .

*** Inter Corporate Deposits taken from IKF Home Finance Ltd are at Interest of 8%

Notes:

(i) Transaction values are excluding taxes and duties.

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

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

"(iv) The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2024 and March 31, 2023.

Notes

to Financial Statements for the year ended March 31, 2024

45 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards:

A comparison between provision required under IRACP and impairment allowances under Ind AS 109:
As at March 31, 2024

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	297,850.78	1,377.12	296,473.66	1,204.37	172.75
	Stage 2	23,524.14	370.87	23,153.27	93.17	277.70
Subtotal for Performing Assets		**321,374.92**	**1,748.00**	**319,626.92**	**1,297.54**	**450.46**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,408.61	1,029.20	4,379.40	512.75	516.45
Doubtful - upto 1 year	Stage 3	2,293.16	768.74	1,524.42	598.12	170.62
Doubtful - 1 to 3 years	Stage 3	27.08	27.08	-	4.88	22.20
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**7,728.84**	**1,825.02**	**5,903.82**	**1,115.75**	**709.27**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		-	-	-	-	-
Total	**Stage 1**	**297,850.78**	**1,377.12**	**296,473.66**	**1,204.37**	**172.75**
	Stage 2	**23,524.14**	**370.87**	**23,153.27**	**93.17**	**277.70**
	Stage 3	**7,728.84**	**1,825.02**	**5,903.82**	**1,115.75**	**709.27**
	Total	**329,103.76**	**3,573.02**	**325,530.74**	**2,413.29**	**1,159.73**

* Provision required as per IRACP norms is excluding provision on interest income from Stage 3 loans.

46 RBI Disclosures

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

Notes

to Financial Statements for the year ended March 31, 2024

46.01 Capital to Risk Asset Ratio (CRAR)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tier I Capital	80,105.69	63,863.99
Tier II Capital	13,577.12	16,474.70
Total Capital	93,682.81	80,338.70
Total Risk Weighted Assets	353,527.41	243,322.36
CRAR (%)	26.50%	33.02%
CRAR - Tier I Capital (%)	22.66%	26.25%
CRAR - Tier II Capital (%)	3.84%	6.77%
Amount of subordinated debt raised as Tier - II Capital	16,500.00	16,500.00
Amount raised by issue of perpetual debt Instruments	-	-

"Tier I capital", "Tier II capital", "Owned fund" and Capital adequacy ratio are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DO R (NBFC).CC .PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020 as amended.

46.02 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	27,624.85	30,810.55
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(III) Net value of investments		
(a) In India	27,624.85	30,810.55
(a) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(I) Opening balance	-	-
(II) Add : Provisions made during the year	-	-
(III) Less : Write-off/ Written- back of excess provisions during the year	-	-
(IV) Closing balance	-	-

46.03 Derivatives

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

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to Financial Statements for the year ended March 31, 2024

46.04 Disclosure Relating to Securitisation for STC Transactions as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) No of SPEs holding assets for securitisation transactions originated by the originator"	-	-
(II) Total amount of securitised assets as per books of the SPEs	-	-
(III) Total amount of exposure retained by the originator to comply with MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements		
(i) First Loss	-	-
(ii) Others	-	-
(a) On-balance sheet exposure towards credit enhancements		
(i) First Loss	-	-
(ii) Others	-	-
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	-	-
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(b) On balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	-	-
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(V) Sale consideration received for the securitised assets	-	-
Gain/loss on sale on account of securitisation	-	-
(VI) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Credit Enhancement, Servicing Agent	Credit Enhancement, Servicing Agent
(VII) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (Credit Enhancement)		
(a) Amount paid	-	-
(b) Repayment received	-	-
(c) Outstanding amount	-	-
(VIII) Average default rate of portfolios observed in the past.		
(a) Vehicle Loans	-	-
(b) Others	-	-
(IX) Amount and number of additional/top up loan given on same underlying asset.		
(a) Vehicle Loans	-	-
(b) Others	-	-
(X) Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

Notes

to Financial Statements for the year ended March 31, 2024

46.05 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year

46.06 Details of loans transferred / acquired during the quarter ended March 31, 2024 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2024

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (₹ in lakhs)	27458.08	3443.37
Weighted average maturity (in months)	27.22	19.42
Weighted average holding period (in months)	9.50	7.22
Retention of beneficial economic interest by the originator	10.00%	10.00%
Tangible security Coverage	100.00%	100.00%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

* Represents the total Pool Value

(ii) The Company has not transferred any non-performing assets (NPAs)

(iii) 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.

(v) The Company has not acquired any stressed loan.

46.07 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil

46.08 Expenditure in Foreign Currency

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Legal and professional fees	5.52	0.51
Total	**5.52**	**0.51**

46.09 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

46.10 Details of credit impaired assets purchased / sold

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

Notes

to Financial Statements for the year ended March 31, 2024

46.11 Exposure to Real estate sector

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Residential Mortgages -		
Lending - Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,404.80	2,008.18
Commercial Real Estate -		
Lending - Secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based limits	4,665.72	-
Investments in -		
Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	15,219.23	10,762.73
Total	**21,289.75**	**12,770.90**

46.12 Exposure to Capital Market

The Company has no exposure to the capital market directly or indirectly in the current and previous year.

46.13 Financing of Parent Company Product

This disclosure is not applicable as the Company does not have any holding / parent company

46.14 Single Borrower Limit / Group Borrower Limit

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

46.15 Unsecured Advances

The Company has no unsecured advances given against rights, licenses, authorizations etc. during the year and for previous year.

46.16 Registration from Other Financial Sector Regulators

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

i. R.B.I. - B-09.00172

ii. Ministry of Corporate Affairs - U65992AP1991PLC012736

iii. Ministry of Finance (Financial Intelligence Unit) - FINBF13220

46.17 Penalty

No penalties were imposed by RBI and other regulators during the current year

Notes

to Financial Statements for the year ended March 31, 2024

46.18 Credit Rating

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Nature of borrowing	Rating / Outlook	Rating / Outlook
	CARE	CARE
Long term bank facilities	A (Stable)	A (Stable)
Commercial Paper	-	-
Non - Convertible Debentures	A (Stable)	A (Stable)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Nature of borrowing	Rating / Outlook	Rating / Outlook
	Brickwork Ratings	Brickwork Ratings
Long term bank facilities	Withdrawn	A (Stable)
Non - Convertible Debentures	Withdrawn	A (Stable)

46.19 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Provisions towards income tax	2,600.55	1,461.47
2. Provisions towards loans	599.58	-44.98
3. Provisions towards trade receivables	-	-

46.20 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2024 (previous year: Nil)

46.21 Concentration of Loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Loans to twenty largest borrowers	36,290.60	27,668.83
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	11.02%	12.95%

46.22 Concentration of All Exposure (including off - balance sheet exposures)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers / customers	36,390.41	27,668.83
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	9.64%	12.95%

Notes

to Financial Statements for the year ended March 31, 2024

46.23 Concentration of credit impaired loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to top ten credit impaired accounts	2,510.24	1,178.46

46.24 Sector Wise Credit-Impaired Assets under Ind AS

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Agriculture & allied activities	1.32%	2.14%
2. MSME	-	-
3. Corporate Borrowers	-	-
4. Services	2.18%	2.65%
5. Unsecured Personal Loans	-	-
6. Auto Loans	3.55%	3.81%
7. Others	3.79%	3.86%

46.25 Movement of Credit-Impaired Loans under Ind AS

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Net impaired loss allowance to Net loans (%)	1.81%	2.26%
(II) Movement of Credit impaired loans under Ind-AS (Gross)		
(a) Opening Balance	6,058.32	4,338.15
(b) (Deletion)/Addition during the year	1,670.52	1,720.17
(c) Closing balance	7,728.83	6,058.32
(III) Movement of Net Impaired loss		
(a) Opening Balance	4,770.09	2,872.82
(b) (Deletion)/Addition during the year	1,133.72	1,897.29
(c) Closing balance	5,903.81	4,770.11
(III) Movement of impairment loss allowance on credit impaired loans		
(a) Opening Balance	1,288.21	1,465.32
(b) (Deletion)/Addition during the year	536.81	(177.11)
(c) Closing balance	1,825.02	1,288.21

46.26 Overseas Assets

The Company does not have any joint venture or subsidiary abroad; hence this disclosure is not applicable.

46.27 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-Balance Sheet SPV

Notes

to Financial Statements for the year ended March 31, 2024

46.28 Customer Complaints

(Currency : ₹ in lakhs)

Sr.No		Particulars	As at March 31, 2024	As at March 31, 2023
		Complaints received by the Company from its customers		
1		Number of complaints pending at beginning of the year	-	0
2		Number of complaints received during the year	55	48
3		Number of complaints disposed during the year	55	48
	3.1	Of which, number of complaints rejected by the Company - -		
4		Number of complaints pending at the end of the year	-	-
		Maintainable complaints received by the Company from Office of ombudsman		
5		Number of maintainable complaints received by the Company from Office of Ombudsman	18	4
	5.1	Of 5, number of complaints resolved in favour of the Company by office of Ombudsman	17	4
	5.2	Of 5,number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman		
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Year ended March 31, 2024				
Credit reports related		15	36%	-	-
Document related		25	14%	-	-
Loan related		8	-11%	-	-
Payment related		15	150%	-	-
Others		10	0%	-	-
Total		**73**	**52%**	**-**	**-**
	Year ended March 31, 2023				
Credit reports related		11	1000%	-	-
Document related		22	450%	-	-
Loan related		9	125%	-	-
Payment related		6	50%	-	-
Others		-	-	-	-
Total		**48**	**269%**	**-**	**-**

Notes

to Financial Statements for the year ended March 31, 2024

46.29 As required by the RBI Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016 the details of frauds noticed / reported are as below:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Amount Involved	-	-
Amount Recovered	-	-
Amount Written off/provided	-	-
Balance	-	-

46.30 Transactions with Non-Executive Directors

(Currency : ₹ in lakhs)

Name of Non-Executive Director	Transaction Type	As at March 31, 2024	As at March 31, 2023
Nageswara Rao Yalamanchili	Payment of Sitting Fees	1.50	3.50
Sunil Rewachand Chandiramani	Payment of Sitting Fees	6.25	2.00
Gopalakrishna Gurrappa	Payment of Sitting Fees	1.00	2.00
Kannan V	Payment of Sitting Fees	0.75	-
Raman Uberoi	Payment of Sitting Fees	0.75	-
Sethuraman Ganesh	Payment of Sitting Fees	5.75	-
Satyanarayana Prasad Kanaparthi	Payment of Sitting Fees	4.75	-

46.31 Postponement of Revenue Recognition

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

46.32 Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2024, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED

Notes

to Financial Statements for the year ended March 31, 2024

46.33 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	76.34	-	-	5.33	71.01
Total	76.34	-	-	5.33	71.01

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 6, 2020 are not applicable to the Company as none of the borrowers opted for the resolution plan.

46.34 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2024

(Currency : ₹ in lakhs)

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	1,420.14	449.45	2,104.44	3,355.78	8,201.22	17,787.98	64,217.85	81,675.60	17,064.75	625.00	**196,902.21**
Other Borrowings	772.14	484.37	454.72	1,053.57	1,382.58	4,237.87	8,363.32	26,760.78	1,835.88	-	**45,345.22**
Market Borrowings	-	-	10.59	1,339.91	1,302.36	2,541.65	5,083.35	8,333.35	14,000.00	-	**32,611.20**
Assets											
Advances*	3,176.87	1,339.74	10,889.59	9,926.76	9,596.43	29,115.36	56,017.30	163,356.48	37,392.08	8,293.16	**329,103.76**
Investments	8,258.45	100.05	1,103.45	2,942.07	-	1.61	-	-	-	15,219.23	**27,624.85**

Maturity pattern of certain items of asset and liabilities - As at March 31, 2023

(Currency : ₹ in lakhs)

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	1,618.57	182.85	1,492.20	2,271.40	8,495.92	11,376.44	45,944.26	61,404.77	9,739.36	-	**142,525.78**
Other Borrowings	279.91	484.30	408.43	787.36	725.44	2,479.97	5,030.38	16,075.54	625.00	-	**26,896.34**
Market Borrowings	-	-	5,116.25	-	905.82	2,622.63	6,750.00	3,500.00	2,500.00	14,000.00	**35,394.70**
Assets											
Advances*	2,532.52	800.91	220.49	6,341.17	6,490.64	19,853.22	39,934.49	116,682.44	18,356.87	2,515.22	**213,727.95**
Investments	-	-	9,202.03	10,845.80	-	-	-	-	-	10,762.73	**30,810.55**

*The amount appearing above for gross loans and borrowings excludes the impact of EIR.

Notes

to Financial Statements for the year ended March 31, 2024

46.35 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on March 31, 2024.

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(Currency : ₹ in lakhs)

Sr. No	No of Significant Counterparties	As at March 31, 2024			As at March 31, 2023		
		Amount #	% of total Deposits	% of Total Liabilities*	Amount #	% of total Deposits	% of Total Liabilities*
1	32	248,352.59	NA	88.84%	200,998.87	NA	97.02%

ii) Top 20 large deposits – Not Applicable

iii) Top 10 Borrowings

(Currency : ₹ in lakhs)

As at March 31, 2024		As at March 31, 2023	
Amount #	% of Total Borrowings*	Amount #	% of Total Borrowings*
131,006.22	47.77%	88,858.07	43.51%

iv) Funding Concentration based on significant instrument/product

(Currency : ₹ in lakhs)

Sr. No	Name of the instrument	As at March 31, 2024		As at March 31, 2023	
		Amount #	% of Total Borrowings*	Amount #	% of Total Borrowings*
1	Term Loan	210,265.86	75.22%	143,113.79	69.08%
2	Non Convertible Debentures	16,000.00	5.72%	18,500.00	8.93%
3	Cach Credit/WCDL	31,483.29	11.26%	26,112.03	12.60%
4	Subordinate Debt	16,500.00	5.90%	16,500.00	7.96%
	Total	**274,249.15**	**98.11%**	**204,225.82**	**98.57%**

v) Stock Ratios

(Currency : ₹ in lakhs)

Sr. No	Name of the instrument	As at March 31, 2024	As at March 31, 2023
1	Commercial Papers to Total Liabilities	0.00%	0.00%
2	Commercial Papers to Total Assets	0.00%	0.00%
3	NCDs (Original Maturity < 1 year) to Total Liabilities	0.00%	0.00%
4	NCDs (original Maturity < 1 year) to Total Assets	0.00%	0.00%
5	Other Short Term Liabilities # to Total Liabilities*	1.36%	1.47%
6	Other Short Term Liabilities # to Total Assets	1.03%	1.10%

vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the same.

Amount does not include accrued but not paid interest on borrowing and amortisation of processing fees.

Notes

to Financial Statements for the year ended March 31, 2024

* Total Liabilities does not include Net Worth.

46.36 Sectoral Exposure

(Currency : ₹ in lakhs)

Sr. No	Sectors	As at March 31, 2024			As at March 31, 2023		
			GNPA(In Lacs)	GNPA(%)	Total Exposure	GNPA(In Lacs)	GNPA(%)
1	Agriculture & Allied Activities	4143.67	54.77	1.32%	2923.98	62.56	2.14%
	Total	**4143.67**	**54.77**	**1.32%**	**2923.98**	**62.56**	**2.14%**
2	Industry						
	Others	2428.06	0.00	0.00%	548.42	0.00	0.00%
	Total	**2428.06**	**0.00**	**0.00%**	**548.42**	**0.00**	**0.00%**
3	Services						
	Transport Operators	117595.82	2729.48	2.32%	81929.05	2640.49	3.22%
	NBFC	39832.33	0.00	0.00%	26344.51	0.00	0.00%
	Construction Equipment	80194.54	1103.26	1.38%	44570.91	1045.57	2.35%
	Others	38803.92	2198.55	5.67%	20988.86	921.10	4.39%
	Total	**276426.62**	**6031.29**	**2.18%**	**173833.33**	**4607.16**	**2.65%**
4	Personal loans						
	Vehicle/Auto Loans	44399.70	1578.12	3.55%	34077.23	1298.1	3.81%
	Others	1705.72	64.67	3.79%	2345.00	90.5	3.86%
	Total	46105.41	1642.79	3.56%	36422.23	1388.59	3.81%
	Grand Total	**329103.76**	**7728.84**	**2.35%**	**213727.95**	**6058.32**	**2.83%**

46.37 Intra Group Exposure

The Company has no exposure to the Intra Group Exposures for the financial years ended March 31,2024 and March 31,2023

46.38 Unhedged Foreign Currency Exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2024 and March 31, 2023

46.39 Breach of Covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2024 and March 31, 2023.

46.40 Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2024, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

46.41 Corporate Governance

As per RBI Guidelines, Specific Disclosures relating to Corporate Governance should be disclosed under the Corporate

Notes

to Financial Statements for the year ended March 31, 2024

Governance section of the Annual Report

46.42 Disclosure on related Party Transactions as per the RBI notification No.RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosure Requirements Under Scale Based Regulation for NBFCs dated April 19,2022

Related Party/Items	Parent(as per ownership/ Control)		Subsidiaries		Associates/Joint venture		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Maximum Outstanding during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	15,219.23	10,762.73	-	-	-	-	-	-	-	-	15,219.23	10,762.73
Share Capital	-	-	-	-	-	-	2,414.90	2,414.90	590.43	590.43	2,085.56	2,085.56	5,090.89	5,090.89
Balance Outstanding at the Year End	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	88.50	88.50	-	-	-	-	88.50	88.50
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	15,219.23	10,762.73	-	-	-	-	-	-	-	-	15,219.23	10,762.73
Purchase of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	126.42	-	-	-	-	-	-	-	-	-	126.42
Interest Received	-	-	0.62	1.42	-	-	-	-	-	-	-	-	0.62	1.42
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	80.04	69.60	-	-	-	-	80.04	69.60
Director's Remuneration	-	-	-	-	-	-	195.00	180.00	-	-	-	-	195.00	180.00
Director's Commission Payable	-	-	-	-	-	-	203.75	134.62	-	-	-	-	203.75	134.62
Share Capital	-	-	-	-	-	-	2,414.90	2,414.90	590.43	590.43	2,085.56	2,085.56	5,090.89	5,090.89
Salary Paid	-	-	-	-	-	-	33.49	80.81	-	-	-	-	33.49	80.81
Service Fee Collected	-	-	38.11	28.35	-	-	-	-	-	-	-	-	38.11	28.35
Service Fee Paid	-	-	3.06	-	-	-	-	-	-	-	-	-	3.06	-
Direct Assignment	-	-	1,384.00	1,979.88	-	-	-	-	-	-	-	-	1,384.00	1,979.88
Interest Receivable on Direct Assignment	-	-	20.81	28.98	-	-	-	-	-	-	-	-	20.81	28.98

Notes

to Financial Statements for the year ended March 31, 2024

47 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 . No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

48 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

49 Compliance with approved Scheme(s) of Arrangements

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2024 and March 31, 2023.

50 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 Undisclosed income

There are no transactions not recorded in the books of accounts.

52 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2024 and March 31, 2023.

53 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31,2024 and March 31, 2023.

54 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

55 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31,2024 and March 31,2023.

Notes

to Financial Statements for the year ended March 31, 2024

56 Relationship with Struck off Companies

The company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.

57 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities

58 Note on Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective

59 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

As per our report of even date

For **SGCO & CO.LLP**
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684
Place: Hyderabad
Date: 29 May 2024

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723
Place: Hyderabad
Date: 29 May 2024

Notes

to Financial Statements for the year ended March 31, 2024

Schedule to Balance Sheet

Particulars			As at March 31, 2024	
Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :**			
	(a)	Debentures : Secured	12,497.99	-
		: Unsecured	3,491.66	-
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	209,445.58	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans - Subordinate Debts	16,372.47	-
		- Cash Credit	31,483.29	-
		- Securitization Transaction	-	-
	* Please see Note 1 below			
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)	Other public deposits	-	-
	* Please see Note 1 below			
Assets side				**Amount outstanding**
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			
	(a)	Secured		323,511.66
	(b)	Unsecured		5,592.11
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a) Financial lease		-
		(b) Operating lease		-
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a) Assets on hire		-
		(b) Repossessed Assets		-
	(iii)	Other loans counting towards asset financing activities		
		(a)Loans where assets have been repossessed		-
		(b) Loans other than (a) above		-
(5)	**Break-up of Investments**			
	Current Investments			
	1.	Quoted		
		(i) Shares		
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		6,937.78
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-

Notes

to Financial Statements for the year ended March 31, 2024

2.	Unquoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	5,467.84
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
Long Term investments		
1.	Quoted	
	(i) Share	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
2.	Unquoted	
	(i) Shares	
	(a) Equity	15,219.23
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below

Category		Amount net of provisions	
		Secured	Unsecured
1.	Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2.	Other than related parties	319,939.13	5,591.61
Total		**319,939.13**	**5,591.61**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below

Category		Market Value / Break up or fair value or NAV
1.	Related Parties **	
	(a) Subsidiaries	15,219.23
	(b) Companies in the same group	-
	(c) Other related parties	-
2.	Other than related parties	-
Total		**15,219.23**

** As per Indian Accounting Standards of ICAI (Please see Note 3)

Notes

to Financial Statements for the year ended March 31, 2024

(8)	Other information	
	Particulars	**Amount**
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	7,728.84
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	5,903.82
(iii)	Assets acquired in satisfaction of debt	124.07

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank)Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

Independent Auditor's Report

To the Members of
IKF FINANCE LIMITED

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of IKF FINANCE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on Separate Financial Statements and other information of the subsidiary, the aforesaid Consolidated Financial Statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"), as specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor in terms of their report referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

We have fulfilled the responsibilities described in the 'Auditors' responsibilities for the audit of the Consolidated Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matters for the Holding Company:

Key audit Matters	Auditors' Response
Expected Credit Loss – Impairment of carrying value of loans and advances. Assessment of impairment loss allowance on Expected Credit loss (ECL) on Loans (Refer Note 43 of the Consolidated Financial Statements) Holding Company's Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS 109. Measurement and Recognition of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 • The segmentation of financial assets when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk. The Holding Company has also recorded a management overlay as part of its ECL, Management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. We have considered ECL as Key Audit Matter because the estimates on which these amounts are based involve a significant degree of management judgment and accounting estimates.	Our audit procedures included the following: • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024 by reconciling it with the balances as per loan balance register loan commitment report as on that date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Holding Company's portfolio, risk profile, credit risk management practices. • Management's controls over authorization and calculation of management overlays. • We assessed the adequacy and appropriateness of disclosures in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The above referred information is expected to be made available to us after the date of this audit report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls with reference to Consolidated Financial Statement in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information in respect of its subsidiary, whose financial statements, before consolidation adjustments, reflect total assets of ₹ 95,201.21 lakhs as at March 31, 2024, total revenues of ₹ 14,772.83 lakhs and net cash outflows amounting to ₹ (44.65) lakhs for the year then ended, respectively as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total net profit after tax of ₹ 10,180.51 lakhs for year ended March 31, 2024, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by

the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 1(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and its subsidiary company incorporated in India.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

   In our opinion based on the consideration of reports of other statutory auditor of the subsidiary, the managerial remuneration paid/ provided by the Holding Company and its subsidiary to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

   (h) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

      i. The Group does not have any pending litigations which would impact financial position of the company and its subsidiary; The Group has disclosed the impact of pending litigations on its Consolidated Financial Statements – Refer Note 39 to the Consolidated Financial Statement.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. (a) The Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances performed by us on the Holding Company and those performed by the Auditors of the subsidiary company, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The Group has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, and as communicated by the auditor of the Subsidiary which is a company incorporated in India and whose financial statements has been audited under the Act, the Holding and subsidiary has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software at application level. However, for the database level we and the auditor of subsidiary company are unable to comment as the necessary information required for Reporting under this section was not available.

Further, during the course of audit, we and the auditor of the subsidiary company have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies

(Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No. :- 047684
UDIN :- 24047684BKHXQV1750

Place :- Hyderabad
Date :- 29th May, 2024

Annexure "A" to the Independent Auditor's Report

REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REOUIREMENTS" OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the Consolidated Financial Statements of IKF Finance Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of 31st March, 2024.

Management's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding and its subsidiary Company's internal financial controls with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note") and the Standards on Auditing ("SA") as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A Company's Internal financial control with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purpose in accordance with generally accepted accounting principles. A company's Internal financial control with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with

generally accepted accounting Principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisitions, use or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Group has in all material respects, an adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to the Consolidated Financial Statement established by the respective Company considering the essential components of internal control stated in the guidance note on audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements, in so far as it relates to separate financial statements of the subsidiary company, which is a company incorporated in India, is based on the Report of the auditor of such subsidiary company incorporated in India.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No. :- 047684
UDIN :- 24047684BKHXQV1750

Place :- Hyderabad
Date :- 29th May, 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Consolidated Balance Sheet

as at March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	4,721.03	27,817.26
(b) Bank Balance other than included in (a) above	4	3,549.17	6,098.78
(c) Receivables		-	
(I) Trade receivables	5	145.64	-
(II) Other receivables		-	-
(d) Loans	6	414,297.53	268,920.04
(e) Investments	8	12,406.62	21,247.83
(f) Derivative financial instruments	9	62.79	-
(g) Other financial assets	7	6,655.13	4,759.15
		441,837.93	**328,843.06**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		43.25	400.55
(b) Deferred Tax Assets (Net)	31	-	-
(c) Investment Property	12	130.03	72.14
(d) Property, Plant and Equipment	11	350.47	363.00
(e) Right of use asset	11	361.85	313.23
(f) Capital work in progress	13	47.59	-
(g) Intangibles assets under development	13A	13.20	-
(h) Intangible assets	13B	198.09	236.22
(i) Goodwill		774.47	774.47
(j) Other non-financial assets	10	4,329.92	3,387.49
		6,248.87	**5,547.10**
Total assets		**448,086.80**	**334,390.16**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments		-	5.40
(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	14	157.85	113.02
(c) Debt securities	15	20,999.05	26,640.67
(d) Borrowings (other than debt securities)	16	307,465.24	213,081.79
(e) Subordinated Liabilities	17	16,372.47	16,345.06
(f) Other financial liabilities	18	6,963.88	4,026.93
		351,958.49	**260,212.87**
(2) Non-financial liabilities			
(a) Current tax liabilities (Net)		114.33	
(b) Provisions	19	342.98	261.90
(c) Deferred tax liabilities (Net)	31	639.43	464.37
(d) Other non-financial liabilities	20	375.65	263.49
		1,472.39	**989.76**
EQUITY			
(a) Equity share capital	21	7,015.65	6,457.51
(b) Other equity	22	86,391.55	65,945.19
(c) Non- Controlling Interest		1,248.72	784.84
		94,655.92	**73,187.54**
Total liabilities and equity		**448,086.80**	**334,390.16**
Material accounting policies and key accounting estimates and judgments	2		

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sudha Jaideep Shetty
Partner
Membership No.047684

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

Place: Hyderabad
Date: 29 May 2024

Consolidated Statement of Profit and Loss

for the year ended on March 31, 2024

(Currency : ₹ in lakhs)

Particulars		Note No	Year ended March 31, 2024	Year ended March 31, 2023
Revenue From operations				
(i)	Interest income	23	56,709.99	36,550.27
(ii)	Fees and commission income	24	1,212.21	890.61
(iii)	Other Operating Income	25	19.64	3.20
(I)	**Total revenue from operations**		**57,941.84**	**37,444.08**
(II)	Other income	26	658.34	400.63
(III)	**Total income (I + II)**		**58,600.18**	**37,844.71**
Expenses				
(i)	Finance costs	26.1	28,476.10	19,217.55
(ii)	Net loss on fair value changes	24.2	-	-
(iii)	Impairment on financial instruments	27	2,018.32	628.21
(iv)	Employee benefits expenses	28	10,638.24	7,027.13
(v)	Depreciation, amortization and impairment	29	468.88	341.66
(vi)	Others expenses	30	3,297.51	2,381.82
(IV)	**Total expenses**		**44,899.06**	**29,596.37**
(V)	**Profit before tax (III - IV)**		**13,701.12**	**8,248.34**
(VI)	**Tax Expense:**			
	(1) Current Tax	31	3,327.22	1,717.24
	(2) Deferred Tax	31	181.51	366.23
	(3) Adjustment of tax relating to earlier periods	31	11.88	12.91
			3,520.61	2,096.38
(VII)	**Profit for the period (V-VI)**		**10,180.51**	**6,151.96**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Remeasurements of the defined benefit plans	32	(4.36)	17.82
	(b) Impact of changes in fair value of Financial Instruments		-	53.28
	(c) Income tax relating to items that will not be reclassified to profit or loss		(1.63)	(3.13)
	(d) Items that will not be reclassified to profit or loss		10.82	
	Subtotal (A)		**4.83**	**67.97**
	(B) Items that will be reclassified to profit or loss			
	(i) Items that will be reclassified to profit or loss		(32.15)	
	(ii) Income tax relating to items that will be reclassified to profit or loss		8.09	
	Subtotal (B)		**(24.06)**	
	Other comprehensive income / (loss)		**(19.22)**	**67.97**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**10,161.29**	**6,219.93**
	Attributable to:			
	Owners of the Company		9,923.50	6,133.80
	Non-controlling interest		237.78	86.15
(X)	**Earnings per share (equity share, par value of ₹10 each)**			
	Basic	33	14.97	11.46
	Diluted	33	14.97	11.45
Material accounting policies and key accounting estimates and judgments		2		

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sudha Jaideep Shetty
Partner
Membership No.047684

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

Place: Hyderabad
Date: 29 May 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Consolidated Cash Flow Statement

for the year ended on March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,701.12	8,248.33
Adjustments for:		
Depreciation, amortisation and impairment	468.88	341.66
Interest Income	(56,709.99)	(36,553.47)
Interest expenses	28,476.10	19,217.55
Impairment on financial instrument	2,018.32	628.21
Net loss on fair value changes	-	-
Share based payment expense	1.08	(4.00)
Provision for expenses	12.75	2.25
Employee benefit expenses	109.83	(31.35)
Rental income on Investment property	(9.15)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	(344.17)	1.14
(Profit)/ Loss on sale of immovable Property	288.33	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(11,986.91)**	**(8,415.15)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(145.64)	-
Decrease / (Increase) in loans	(144,910.39)	(79,896.38)
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.61	(3,565.14)
Decrease / (Increase) in other financial assets	2,024.62	(297.93)
Decrease / (Increase) in other non-financial assets	(942.43)	(2,307.26)
(Decrease) / Increase in trade payables	44.83	105.93
(Decrease) / Increase in other financial liabilities	2,868.23	626.06
(Decrease) / Increase in provisions	(93.21)	33.69
(Decrease) / Increase in other non-financial liabilities	112.15	106.22
Interest received	50,391.90	33,600.98
Interest paid	(29,144.64)	(19,393.29)
	(129,231.88)	**(79,141.26)**
Income tax paid (net of refunds)	(2,867.46)	(1,929.74)
Derivative financial instruments	(11.77)	45.27
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(132,111.11)**	**(81,025.71)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(120.88)	(131.47)
Purchase of Investment property	(58.06)	-
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	344.35	0.82
Proceeds from sale of Investment property	(288.33)	38.85
Purchase of intangible assets	(43.40)	(137.38)
Purchase of investments in market instruments	8,841.20	(21,247.83)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**8,684.05**	**(21,469.37)**

Consolidated Cash Flow Statement (Cont.)

for the year ended on March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.01	25,506.83
Share issue expenses	(879.18)	
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	(19,889.84)	(4,249.92)
Amount received from borrowings other than debt securities	162,694.34	139,390.00
Repayment of borrowings other than debt securities	(68,329.30)	(57,339.83)
Amount received from subordinated Liabilities	-	14,000.00
Repayment of subordinated debt	-	(3,500.00)
Payment of principal portion of lease liabilities	(219.12)	(123.03)
Payment of interest on lease liabilities	(46.08)	(36.00)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**100,330.83**	**120,648.04**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(23,096.23)**	**18,152.95**
Cash and Cash Equivalents at the beginning of Year	27,817.26	9,664.31
Cash and Cash Equivalents at the end of the Year	4,721.03	27,817.26

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684

Place: Hyderabad
Date: 29 May 2024

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Consolidated Statement of Changes in Equity

for the year ended on March 31, 2024

(Currency : ₹ in lakhs)

A. Equity share capital

Current Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2024
Issued, Subscribed and paid up - fully paid (Equity shares of ₹10 each, Fully paid-up)	6,457.51	-	6,457.51	558.14	7,015.65

Previous Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2023
Issued, Subscribed and paid up - fully paid (Equity shares of ₹10 each, Fully paid-up)	5,265.91	-	5,265.91	1,191.60	6,457.51
Issued, Subscribed and paid up - partly paid	-	-	-	-	-

B. Other equity

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Balance at March 31, 2022	**5,742.05**	**32.50**	**10,576.37**	**1,221.45**	**24.62**	**18,183.91**	**35,780.90**
Prior Period items	-	-	-	-	-	(280.75)	(280.75)
Restated Balance at the beginning of the reporting period	5,742.05	32.50	10,576.37	1,221.45	24.62	17,903.16	35,500.16
Profit for the year	-	-	-	-	-	6,065.83	6,065.83
Other comprehensive income for the year	-	-	-	-	-	28.09	28.09
Total comprehensive income for the year (net of tax)	-	-	-	-	-	6,093.92	6,093.92
Transfer to Statutory Reserve	1,268.00	-	-	-	-	(1,268.00)	-
Transfer to General Reserve	-	-	-	250.03	-	(250.03)	-
Transfer to Hedge Reserve	-	-	-	-	-	39.87	39.87
Issue of equity shares	-	-	24,315.23	-	-	-	24,315.23
Share based payment expense	-	-	-	-	(4.00)	-	(4.00)
Balance at March 31, 2023	7,010.06	32.50	34,891.60	1,471.48	20.63	22,518.92	65,945.19

Consolidated Statement of Changes in Equity

for the year ended on March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Prior Period items	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	7,010.06	32.50	34,891.60	1,471.48	20.63	22,518.92	65,945.18
Profit for the year	-	-	-	-	-	9,942.73	9,942.73
Other comprehensive income for the year	-	-	-	-	-	(19.24)	(19.24)
Total comprehensive income for the year (net of tax)	-	-	-	-	-	9,923.48	9,923.48
Transfer to Statutory Reserve	2,172.43	-	-	-	-	(2,172.43)	-
Transfer to General Reserve	-	-	-	384.87	-	(384.87)	-
Transfer to Retained Earnings	-	-	-	-	-	(40.88)	(40.88)
Issue of equity shares	-	-	11,441.86	-	-	-	11,441.86
Share issue expenses	-	-	(879.18)	-	-	-	(879.18)
Share based payment expense	-	-	-	-	1.08	-	1.08
Balance at March 31, 2024	**9,182.49**	**32.50**	**45,454.28**	**1,856.35**	**21.71**	**29,844.21**	**86,391.55**

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684

Place: Hyderabad
Date: 29 May 2024

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

1 Group Information

IKF Finance Limited ('the Company' or 'the Holding Company') is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and classified as a Non-Banking Financial Company-Asset Finance Company ('NBFC-AFC') with effect from May 12, 2014.The Company provides finance for commercial vehicles, construction equipment and other loans.

The consolidated financial statements relates to the Company and its subsidiary company IKF Home Finance Limited (IIKFHF) ("together hereinafter referred to as "Group").

1.1 Basis of Consolidation

i. The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2024 and are prepared based on the accounting policies consistent with those used by the Company.

ii. Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures. The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements.

The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiary company has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realized.

b. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company is made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group to arrive at the income attributable to shareholders of the Company.

d. Goodwill arising on consolidation is not amortized but tested for impairment.

Subsidiary Considered in preparation of these consolidated financial statements are as under:

Name of the subsidiary	Country of in corporation	Proportion of ownership
IKF Home Finance Limited	India	89.89%

2 Material Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2024 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

other regulators are implemented as and when they are issued/ applicable.

2.2 Presentation of Financial Statements

The financial statements are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note

36 – Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Effective Interest Rate (EIR) method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- PD calculation includes historical data, benchmarking, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 43- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Operating Leases

Group as a lessee:

The Group has applied Ind AS 116 using the partial retrospective approach.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right to use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost and at fair value through other comprehensive (FVOCI) income.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

Operating leases are leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line or in the period the Group changes its business model for managing financial assets. Financial liabilities are not reclassified.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Group recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

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For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) -

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in Note 43-Risk Management.

Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. Derivative Financial Instruments

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or, other variable, provided that , in the case of a non-financial variable, it is not specific to a party to the contract (i.e. underlying)
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at future date.

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- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge Accounting:

Initial Recognition and subsequent remeasurement:

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

h. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note 42- Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads.

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In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

Asset	Useful Life
Building	60 years
Office Equipment	5 years
Furniture and Fixture*	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

*Useful life for Furniture and Fixture for IKF Home Finance Limited is 5 Years. For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprise the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest

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identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.10 Employee benefits

Defined Contribution Plan:

The Group has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Group contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Group has no further obligation beyond making the contributions.

The Group's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Group provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Group are entitled to compensated absence and deferred compensation as per the policy of the Group, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.11 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or

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credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Group:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.12 Provision and contingencies

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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2.13 Earnings per share

The Group reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.14 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.16 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Group₹s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

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3 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	164.16	231.31
Balances with banks in current accounts	4,556.87	27,585.94
Total	**4,721.03**	**27,817.25**

4 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks to the extent held as margin money*	3,549.17	6,098.78
Total	**3,549.17**	**6,098.78**

*Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

5 Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade receivables		
Receivables considered good - Secured		
Receivables considered good - Unsecured	145.64	-
Receivables which have significant increase in credit risk; and		
Receivables – credit impaired		
	145.64	**-**
Less: Provision for impairment	-	-
Total	**145.64**	**-**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at March 31st 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	145.64	-	-	-	-	145.64
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**145.64**	**-**	**-**	**-**	**-**	**145.64**

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As at March 31st 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-		-	-
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-		-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-		-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-		-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-		-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

6 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Term loans	413,030.33	267,417.11
(ii) Others (ICD)	200.00	200.00
(iii) Staff loans	77.14	83.39
(iv) others		
(a) Trade advances	5,523.72	4,910.17
Total	**418,831.19**	**272,610.68**
Less: Impairment loss allowance	2,612.36	3,690.64
Total - Net of impairment loss allowance	**414,297.53**	**268,920.04**
(i) Secured by tangible assets*	413,030.33	267,417.11
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Government Guarantees	-	-
(iv) Unsecured	5,800.86	5,193.56
Total	**418,831.19**	**272,610.68**
Less: Impairment loss allowance	2,612.36	3,690.63
Total - Net of impairment loss allowance	**414,297.53**	**268,920.04**
(i) Public sectors		-
(ii) Others	418,831.19	272,610.68
Total	**418,831.19**	**272,610.68**
Less: Impairment loss allowance	2,612.36	3,690.63
Total - Net of impairment loss allowance	**414,297.53**	**268,920.04**
(i) Loans in India	418,831.19	272,610.68
(ii) Loans outside India		
Total	**418,831.19**	**272,610.68**
Less: Impairment loss allowance	2,612.36	3,690.63
Total - Net of impairment loss allowance	**414,297.53**	**268,920.04**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans		
Stage I	385,351.16	226,752.91
Stage II	24,814.49	38,975.34
Stage III	8,388.40	6,599.03
Total	**418,554.05**	**272,327.29**

7 Other Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Rent and utility deposit	425.71	373.95
Excess Interest Spread (EIS) Receivables	5,570.52	3,972.47
Other -unsecured, considered good	658.91	412.75
Total	**6,655.13**	**4,759.16**

8 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity instruments		
- Subsidiary (at cost)		
IKF Home finance limited*	-	-
(March 31,2024:5,74,04,177 Equity shares of ₹ 10 each fully paid &96,88,043 Equity shares of ₹ 5 partly paid; March 31, 2023: 5,74,04,177 Equity shares of ₹ 10 each fully paid)		
Investment in Debt instruments		
- Market Linked Debentures (at Fair Value through Profit or loss)	-	17,160.75
- Mutual Funds	1.00	-
- Debentures (at Amortised Cost)	12,405.62	4,087.07
Total (A)	**12,406.62**	**21,247.83**
(i) Investments in India	12,406.62	21,247.83
(ii) Investments outside India		-
Total (B)	**12,406.62**	**21,247.83**

9 Derivative Financial Instruments

Particulars	As at March 31, 2024	As at March 31, 2023
Forward rate agreements and interest rate swaps (net)	62.79	0
Total	**62.79**	**0**

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10 Other Non-Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	660.21	360.57
Advances to employees	0.28	0.67
GST input credit	629.19	523.41
Other -unsecured, considered good	1,002.06	2,502.84
Advance for expenses	38.18	
Advance given for purchase of property	2,000.00	
Total	**4,329.92**	**3,387.50**

11 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount							
As at March 31, 2022	**29.13**	**320.79**	**198.64**	**28.60**	**111.34**	**688.50**	**190.74**
Additions	-	22.68	97.29	11.50	-	131.47	457.33
Disposals	-	(2.47)	(27.70)	(0.54)	-	(30.71)	(22.89)
As at March 31, 2023	**29.13**	**341.00**	**268.24**	**39.55**	**111.34**	**789.26**	**625.18**
Additions	-	6.32	60.49	0.46	53.60	120.88	302.58
Disposals	-	-	(0.75)	-	-	(0.75)	-
As at March 31, 2024	**29.13**	**347.32**	**327.98**	**40.01**	**164.94**	**909.38**	**927.76**
Accumulated depreciation and impairment:							
As at March 31, 2022	**13.55**	**144.85**	**114.05**	**16.19**	**56.85**	**345.49**	**171.08**
Depreciation for the year	2.94	38.15	48.33	5.31	14.78	109.50	154.86
Disposals	-	(1.96)	(26.31)	(0.48)	-	(28.75)	(13.97)
As at March 31, 2023	**16.49**	**181.02**	**136.06**	**21.02**	**71.63**	**426.24**	**311.96**
Depreciation for the year	2.91	37.23	70.67	6.56	15.85	133.22	253.95
Disposals	-	-	(0.57)	-	-	(0.57)	-
As at March 31, 2024	**19.40**	**218.25**	**206.17**	**27.59**	**87.48**	**558.89**	**565.91**
Net book value							
As at March 31, 2022	15.58	175.94	84.60	12.41	54.49	343.00	19.67
As at March 31, 2023	12.64	159.98	132.18	18.53	39.71	363.02	313.21
As at March 31, 2024	**9.73**	**129.07**	**121.82**	**12.42**	**77.46**	**350.47**	**361.85**

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

12 Investment Property

Particulars	Buildings	Land	Total
Gross carrying amount			
As at March 31, 2022	**6.98**	**108.01**	**114.99**
Additions	-	-	-
Disposals	-	(42.00)	(42.00)
As at March 31, 2023	**6.98**	**66.01**	**72.99**
Additions	-	58.06	58.06
Disposals	-	-	-
As at March 31, 2024	**6.98**	**124.07**	**131.05**
As at March 31, 2022	**0.68**	**-**	**0.68**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2023	**0.85**	**-**	**0.85**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2024	**1.02**	**-**	**1.02**
Net book value			
As at March 31, 2022	6.30	108.01	114.31
As at March 31, 2023	6.13	66.01	72.14
As at March 31, 2024	**5.96**	**124.07**	**130.03**

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental Income	9.15	7.63
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**9.15**	**7.63**
Depreciation	0.17	0.17
Profit from investment properties	**8.98**	**7.46**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair valuation of investment property as at March 31, 2024 is ₹ 448.18 lakhs(PY: ₹ 394.18 lakhs)

(iv) Pledged details

Investment property pledged in favor of consortium leader central bank for cash credit facility.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

13 Capital work in Progress

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	-	-
Additions	47.59	-
Deductions	-	-
Closing Balance	**47.59**	-

Ageing for Capital work in Progress

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	31st March 2024	47.59	-	-	-	47.59
Projects in Progress	31st March 2023	-	-	-	-	-

13A Intangible assets under development

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	-	-
Additions	13.20	-
Deductions	-	-
Closing Balance	**13.20**	-

Ageing for Intangibles assets under development

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	31st March 2024	13.20	-	-	-	13.20
Projects in Progress	31st March 2023	-	-	-	-	-

13B Intangible assets

Particulars	Computer software
Gross carrying amount	
As at March 31, 2022	**403.90**
Additions	137.39
Disposal	-
As at March 31, 2023	**541.29**
Additions	43.41
Disposal	-
As at March 31, 2024	**584.69**
Accumulated amortisation and impairment	
As at March 31, 2022	**227.93**
Amortisation for the year	77.14
Disposal	-
As at March 31, 2023	**305.07**
Amortisation for the year	81.53
Disposal	-
As at March 31, 2024	**386.60**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Computer software
Net book value	
As at March 31, 2022	175.97
As at March 31, 2023	236.22
As at March 31, 2024	**198.09**

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

14 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of :		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 14.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	157.85	113.02
Total	**157.85**	**113.02**

14.1 Disclosure relating to Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier	-	-
(ii) Interest due thereon remaining unpaid to any supplier	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**-**	**-**

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

14.3 Trade Payable aging schedule

As at Mar 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	157.85	-	-	-	157.85
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**157.85**	**-**	**-**	**-**	**157.85**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

As at Mar 31, 2023

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

15 Debt Securities

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured		
Non convertible debentures	17,507.39	17,927.79
Unsecured		
Other non convertible debentures	3,491.66	8,712.88
Total	**20,999.05**	**26,640.66**
Debt Securities:		
Within India	20,999.05	26,640.66
Outside India		-
Total	**20,999.05**	**26,640.67**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and mortgage of personal properties of directors in addition to their personal guarantees.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Terms of repayment of Debt securities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	8.00	6,666.65	10.00	5,833.35	-	-	12,500.00
	10.01%11.00%	4.00	3,500.00	-	-	-	-	3,500.00
	11.01%12.00%	-	-	-	-	-	-	-
	12.01%12.50%	0	0	-	-	-	-	-
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	4	2,031.33	6	2,978.07	-	-	5,009.40
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	-	-	-	0	-	-	0
	10.51%-11.50%	-	-	-	0	-	-	0
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**12,197.98**	**-**	**8,811.42**	**-**	**-**	**21,009.40**
Add : Interest accrued but not due								100.62
Less : Unamortized Finance Cost								(110.97)
Total Amortized Cost			**12,197.98**		**8,811.42**		**-**	**20,999.05**

Terms of repayment of Debt securities as on March 31, 2023

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	0	-	-	-	-	-	-
	10.01%-11.00%	4.00	3,500.00	4.00	3,500.00	-	-	7,000.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	0	-	-	-	-	-	-
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	1	833.33	-	-	-	-	833.33
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	5,000.00	-	-	-	-	5,000.00
	9.51%-10.50%	2.00	6,500.00	-	1,000.00	-	-	7,500.00
	10.51%11.50%	-	-	-	5,500.00	-	-	5,500.00
	11.51%12.50%	-	-	-	-	-	-	-
Total			**15,833.33**	**-**	**10,000.00**	**-**	**-**	**25,833.33**
Add : Interest accrued but not due								862.81
Less : Unamortized Finance Cost								(55.48)
Total Amortized Cost			**15,833.33**		**10,000.00**		**-**	**26,640.67**

16 Borrowings (other than debt securities)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Term loans (Secured)		
from banks	198,914.97	142,720.69
from non banking financial companies	45,148.80	26,757.56
from financial institutions	24,791.02	14,876.15
From National Housing Bank (NHB)	4,748.20	2,213.06
Loans repayable on demand (Secured):		
Cash credit from Bank	33,862.23	26,514.32
Associated liabilities in respect of securitisation transactions	-	-
Total	**307,465.24**	**213,081.79**
Borrowings:		
Within India	307,465.24	213,081.79
Outside India		
Total	**307,465.24**	**213,081.79**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/ promoter to the extent of ₹ 386.20 Cr (March 31, 2023: ₹ 332.20 Cr).

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Terms of repayment of borrowings (other than debt) as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-10 Years	5.00%-6.00%	-	-	-	-	-	-	-
	6.01%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	90	4,355.92	104	2,717.93	-	-	7,073.85
	9.01%-10.50%	774	45,330.91	1,577	81,790.67	79	2,450	129,571.43
	10.51%-11.50%	161	8,449.75	128	4,103.91	-	-	12,553.66
	11.51%-12.50%	12	385.00	3	93.55	-	-	478.55
	12.51%-13.50%	24	781.08	12	288.82	-	-	1,069.90
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	3	1,360.00	-	-	3,180.00
	8.01%-9.00%	51	3,718.46	116	4,002.94	51	1,125.12	8,846.53
	9.01%-10.50%	117	27,597.37	265	58,012.94	29	2,592.00	88,202.31
	10.51%-11.50%	41	5,364.71	93	10,082.42	10	499.91	15,947.04
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	5.00%-6.00%			1	7,500			7,500.00
	7.01%-8.00%							-
	8.01%-9.00%							-
	9.01%-10.50%							-
	10.51%-11.50%							-
Repayable on Demand	**9.01%-10.50%**			**-**	**-**	**-**	**-**	**-**
Total			**97,803.19**		**169,953.19**		**6,666.89**	**274,423.26**
Add : Interest accrued but not due								498.28
Less : Unamortized Finance Cost								(1,318.56)
Total Amortized Cost			**97,803.19**	**-**	**169,953.19**	**-**	**6,666.89**	**273,602.98**

Terms of repayment of borrowings (other than debt) as on March 31, 2023

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-10 Years	5.00%-6.00%	-	-	-	-	-	-	-
	6.01%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	83	6,074.90	148	9,778.96	21.00	576.92	16,430.78
	9.01%-10.50%	287	25,588.15	465	48,105.12	9.00	571.85	74,265.12
	10.51%-11.50%	48	3,262.97	86	5,025.87	18.00	208.33	8,497.17
	11.51%-12.50%	15	998.71	21	1,145.85	-	-	2,144.56
	12.51%-13.50%	12	252.40	21	367.02	-	-	619.41

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	16	2,335.20	55	4,236.30	9.00	92.80	6,664.30
	8.01%-9.00%	37	6,136.44	85	10,274.12	9.00	44.00	16,454.56
	9.01%-10.50%	74	15,311.06	160	30,251.00	36.00	1,481.56	47,043.62
	10.51%-11.50%	21	4,850.47	64	9,959.81	9.00	758.46	15,568.73
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	5.00%-6.00%	-	-	-	-	-	-	-
	9.51%-10.50%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
	>13.50%	-	-	-	-	-	-	-
Repayable on Demand	**9.01%-10.50%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total			**64,810.28**		**119,144.05**		**3,733.93**	**187,688.25**
Add : Interest accrued but not due								235.23
Less : Unamortized Finance Cost								(1,356.02)
Total Amortized Cost			**64,810.28**	**-**	**119,144.05**	**-**	**3,733.93**	**186,567.47**

17 Subordinated Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,372.47	16,345.06
Indian rupee loan from banks (Tier-II)	-	-
Total	**16,372.47**	**16,345.06**
Subordinated Liabilities:		
Within India	16,372.47	16,345.06
Outside India	-	-
Total	**16,372.47**	**16,345.06**

Terms of repayment of subordinated liabilities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%							-
	>12.50%			2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.59
Less : Unamortized Finance Cost								(138.12)
Total Amortized Cost					**16,500.00**		**-**	**16,372.47**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Terms of repayment of subordinated liabilities as on March 31, 2023

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%							-
	>12.50%			1	2,500.00	1	14,000.00	16,500.00
Total					**2,500.00**		**14,000.00**	**16,500.00**
Add : Interest accrued but not due								8.98
Less : Unamortized Finance Cost								(163.92)
Total Amortized Cost					**2,500.00**		**14,000.00**	**16,345.06**

18 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	378.25	322.30
Employee benefits payable	590.28	441.36
Expenses payable	10.11	26.79
Other Payables	1,416.99	811.12
Security deposit from franchisees and Customers	1,979.77	431.47
Payable towards securitisation / assignment transactions	2,588.47	1,993.87
Total	**6,963.88**	**4,026.93**

19 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity	280.82	205.77
Provision for leave benefits	62.16	56.12
Total	**342.98**	**261.89**

20 Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	375.65	263.49
Total	**375.65**	**263.49**

21. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	80,000,000	8,000.00	80,000,000	8,000.00
Preference shares of ₹ 100 each	2,500,000	2,500.00	2,500,000	2,500.00
	82,500,000	**10,500.00**	**82,500,000**	**10,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	70,156,445	7,015.65	64,575,050	6,457.51
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	-	-
	70,156,445	**7,015.65**	**64,575,050**	**6,457.51**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each, Fully paid up ₹ 10 per share	-	-	-	-
Converted to Fully Paid Equity Shares	-	-	-	-
	-	-	-	-
Total	**70,156,445**	**7,015.65**	**64,575,050**	**6,457.51**

A. Reconciliation of number of shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	64,575,050	6,457.51	52,659,067	5,265.91
Shares issued during the year	5,581,395	558.14	11,915,983	1,191.60
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	-	-
Outstanding at the end of the year	**70,156,445**	**7,015.65**	**64,575,050**	**6,457.51**
Partly paid up equity share of ₹ 10 each, partly paid up ₹ 10 per share				
At the beginning of the year	-	-	-	-
Amount called/Issued during the year	-	-	-	-
Converted to Fully Paid Equity Shares	-	-	-	-
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes:

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	19,853,581	28.30%	19,853,581	30.74%
India Business Excellence Fund-IIA	13,051,546	18.60%	13,051,546	20.21%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	7,804,018	11.12%	7,804,018	12.09%
Accion Digital Transformation Fund, LP	5,581,395	7.96%	5,581,395	8.64%
Teachers Insurance And Annuity Association Of America	5,581,395	7.96%	-	-

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

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

D. Shareholding of Promotors

Shares held by promotors at the end of the year	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
a. Equity shares of ₹ 10 each fully paid up*						
Vupputuri Gopala Kishan Prasad	19,853,581	28.30%	0.00%	19,853,581	30.74%	0.56%
Vupputuri Indira Devi	1,648,142	2.35%	0.00%	1,648,142	2.55%	0.00%
Koganti Vasumathi Devi	2,647,266	3.77%	0.00%	2,647,266	4.10%	0.00%
Devineni Vasantha Lakshmi	2,491,794	3.55%	0.00%	2,491,794	3.86%	0.00%
Vupputuri Raghu Ram	1,800,670	2.57%	0.00%	1,800,670	2.79%	0.00%
Durga Rani Chunduri	1,494,100	2.13%	0.00%	1,494,100	2.31%	0.00%
Sinha Satyanand Chunduri	117,700	0.17%	0.00%	117,700	0.18%	0.00%

E. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particular	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity shares of 10 each, fully paid up, allotted on conversion of 19,53,125/- 0.01% Compulsorily convertible preference share of ₹ 100 each, Fully paid-up	-	-	-	-	-

22. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	32.50	32.50
Securities premium reserve	45,454.27	34,891.60
Share Based Payment reserve	21.71	20.63
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,533.09	5,993.60
Statutory Reserve U/s 29C of NHB Act	1,570.54	978.47
Provision U/s 36(viia) Income tax Act, 1961	(2.90)	37.98
General reserve	1,856.36	1,471.49
Retained earnings	29,925.98	22,518.93
Total	**86,391.55**	**65,945.19**

Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

b. Securities premium reserve

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

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934

d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

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

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

g. Statutory Reserve U/s 29C of NHB Act

Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. Accordingly Company has transferred ₹1,641.95/- lakhs for the year ended Mar 31, 2024 to the Reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987.

h. Provision U/s 36(viia) Income tax Act, 1961

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

B. Movement in Other equity

Particulars		As at March 31, 2024	As at March 31, 2023
I.	**Capital Reserve**		
	Opening balance	32.50	32.50
	Add : Share issued during the year	-	-
		32.50	**32.50**
II.	**Securities premium reserve**		
	Opening balance	34,891.60	10,576.37
	Add : Premium received on issue of securities	11,441.86	24,315.23
	Less : Share issue expenses	(879.18)	
		45,454.27	**34,891.60**
III.	**Share Based Payment reserve**		
	Opening balance	20.63	24.62
	Add : During the year	1.08	(4.00)
		21.71	**20.63**
IV.	**Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934**		
	Opening balance	5,993.60	4,993.50
	Add : Transfer from retained earnings	1,539.49	1,000.10
		7,533.09	**5,993.60**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
V.	**Statutory Reserve U/s 29C of NHB Act**		
	Opening balance	978.47	724.23
	Add : Transfer from retained earnings	592.06	267.90
		1,570.54	**992.13**
VI.	**Provision U/s 36(viia) Income tax Act, 1961**		
	Opening balance	37.98	37.98
	Add : Transfer from retained earnings	(40.88)	-
		(2.90)	**37.98**
VII.	**General Reserve**		
	Opening balance	1,471.49	1,221.46
	Add : Transfer from retained earnings	384.87	250.03
		1,856.36	**1,471.49**
VIII.	**Retained earnings**		
	Opening balance	22,518.93	18,183.90
	Add : Prior Period items		(280.75)
	Add : Profit for the year	9,942.73	6,065.83
	Add : Other comprehensive income	(19.22)	28.10
	Appropriations:		
	Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(1,539.49)	(1,000.10)
	Transfer to Statutory NHB Reserve	(592.06)	(267.90)
	Transfer to Hedge Reserve	-	39.87
	Transfer to General reserve	(384.87)	(250.03)
		29,925.98	**22,518.93**
		-	**-**
Total		**29,925.98**	**22,518.93**

23 Interest income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised cost		
Interest on loans	53,929.45	35,766.47
Interest on deposits with banks	265.25	177.42
Interest on Intercorporate Deposits	24.50	-
Interest on investment in debentures	2,487.69	606.38
Income from investment from Mutual Funds	3.10	-
Total	**56,709.99**	**36,550.27**

24 Fees and commission income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Other fees and charges	1,212.21	890.61
Total	**1,212.21**	**890.61**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

25 Other Operating Income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Bad debts recovered	19.64	3.20
Total	**19.64**	**3.20**

26 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on income tax refund	16.48	-
Rental income	9.15	7.63
Net gain/loss on foreign currency transactions	3.66	-
Reversal of provisions	40.88	-
Miscellaneous Income	588.17	393.01
Total	**658.34**	**400.63**

26.1 Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on deposits	67.09	50.07
Interest on borrowings	22,989.67	15,142.76
Interest on debentures	1,554.49	1,354.17
Interest on subordinated liabilities	2,353.96	1,506.21
Interest on ICD	-	-
Interest on lease liabilities	37.43	36.00
Interest on securitisation	-	99.70
Bank Charges	6.74	21.29
Other finance cost	1,466.70	1,007.32
Total	**28,476.10**	**19,217.53**

26.2 Net loss on fair value changes

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net loss on fair value changes	-	-
Total	**-**	**-**

27 Impairment on financial instruments

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial instruments measured at amortised cost		
Loans	843.03	43.38
Trade receivables	-	-
Bad debts and write offs	1,175.29	584.83
Total	**2,018.32**	**628.21**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

28 Employee benefits expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	9,847.53	6,586.19
Contribution to provident and other funds	466.55	329.63
Share based payment to employees	1.08	(4.00)
Staff welfare expenses	213.25	146.65
Gratuity	101.05	73.23
Leave encashment	8.78	(104.57)
Total	**10,638.24**	**7,027.13**

29 Depreciation, amortization and impairment

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment	133.22	109.50
Depreciation on right to use assets	253.95	154.86
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	81.52	77.13
Total	**468.86**	**341.65**

30 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent	515.58	420.81
Communication cost	123.07	126.90
Travelling and conveyance	398.24	285.90
Rates and taxes	791.12	524.10
Insurance	46.36	36.19
Commission and Brokerage	162.89	118.57
Repairs and maintenance	153.93	84.14
Printing and stationary	44.75	51.37
Payment to auditors (Refer Note 30.1)	39.96	29.38
Advertisement, publicity and sales promotion expenses	12.93	11.49
Operation Cost	65.21	141.63
Legal and professional fees	620.72	388.55
Corporate social responsibility (Refer Note 30.2)	137.53	115.66
Director sitting fees	29.45	11.40
Loss on sale of property, plant and equipment	-	1.91
Loss on sale of Investment Property	-	3.15
Miscellaneous expenses	155.80	30.68
Total	**3,297.51**	**2,381.84**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

30.1 Payment to the auditors:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration		
- Audit fees	37.91	28.00
In other capacity	-	-
- Certification services	2.05	1.20
Other of pocket expenses	-	0.18
Total	**39.96**	**29.38**

30.2 Corporate social responsibility:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Amount required to be spent by the company during the year	134.05	114.47
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	135.38	115.56
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Net Shortfall	-	
f) Reason for shortfall	NA	NA
g) Natuure of CSR activities	HealthCare, Education & Skill Development, Gender Equality and Empowerment, Environment.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

31 Income tax

(a) Income tax expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹	₹
Current tax		
Current tax on profits for the year	3,327.22	1,717.24
Adjustment for current tax of the prior periods	11.88	12.91
Subtotal (A)	**3,339.10**	**1,730.14**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(417.66)	(237.76)
(Decrease)/Increase in deferred tax liabilities	589.44	600.49
Subtotal (B)	**171.80**	**362.73**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	**(9.71)**	**(3.32)**
Income tax expense for the year (A+B-C)	**3,520.61**	**2,096.19**

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2024:

Particulars	Net balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	58.33	16.69	(1.62)	73.40
Impact of provision for expected credit loss on loans	785.99	212.17	-	998.16
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	14.81	8.66	-	23.47
Impact of leases under Ind AS 116	69.96	(0.32)	-	69.64
EIR impact of financial asssets and liabilities	215.94	177.72	-	393.66
Share based payment	5.19	0.27	-	5.46
Others	-	0.84	-	0.84
(A)	**1,150.21**	**416.03**	**(1.62)**	**1,564.63**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	286.13	108.35	-	394.48
EIR impact of financial asssets and liabilities	296.88	275.14	(8.09)	563.93
Impact of direct assignment and securitisaton transactions	843.29	126.07	-	969.36
Interest income recognised on stage 3 loans	120.57	35.83	-	156.40
Others	67.68	52.15	-	119.82
(B)	**1,614.56**	**597.53**	**(8.09)**	**2,203.99**
Deferred tax assets (net) (A-B)	**(464.34)**	**(181.50)**	**(9.71)**	**(639.36)**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2023:

Particulars	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	86.24	(24.58)	(3.32)	58.33
Impact of provision for expected credit loss on loans	775.72	10.27		785.99
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	10.72	4.09		14.81
Impact of leases under Ind AS 116	2.82	67.14		69.96
EIR impact of financial asssets and liabilities	37.40	178.54		215.94
Share based payment	6.20	(1.01)		5.19
Others	-	-		-
(A)	**919.09**	**234.44**	**(3.32)**	**1,150.21**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	120.56	165.58		286.13
Remeasurement of defined benefit plan	-	-		-
EIR impact of financial asssets and liabilities	39.98	256.90		296.88
Impact of direct assignment and securitisaton transactions	747.75	95.55		843.29
Interest income recognised on stage 3 loans	103.07	17.51		120.57
Others	2.71	64.96		67.68
(B)	**1,014.06**	**600.49**	**-**	**1,614.56**
Deferred tax assets (net) (A-B)	**(94.98)**	**(366.05)**	**(3.32)**	**(464.34)**

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	₹	₹
Profit before tax as per Statement of profit and loss (A)	13,701.12	8,248.34
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	**3,448.30**	**2,075.94**
Tax effect of:		
Effect of income exempt from tax	(11.05)	(0.55)
Effect of expenses/provisions not deductible in determining taxable profit	71.84	57.95
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	11.88	12.91
Others	(0.37)	(49.89)
Income tax expense	**3,520.61**	**2,096.38**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

32 Employee Benefits

a. Defined contribution plan - provident funds

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

The Company recognised ₹ 466.55 lakhs (PY: ₹ 329.63 lakhs) for year ended March 31, 2024, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 20 lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation (A)	280.82	205.78
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	**280.82**	**205.78**

Particulars	As at March 31, 2024	As at March 31, 2023
Obligation expected to be settled in the next 12 months	23.08	16.72
Obligation expected to be settled beyond next 12 months	257.74	189.06

Movement in net defined benefit (asset) liability

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

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balance	205.78	152.37	-	-	205.78	152.37
Current service cost	86.31	62.11	-	-	86.31	62.11
Past service cost	-	-	-	-	-	-
Interest cost (income)	14.75	11.12	-	-	14.75	11.12
Defined benefit cost included in P&L	**101.05**	**73.23**	**-**	**-**	**101.06**	**73.23**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	4.30	(1.89)	-	-	4.30	(1.89)
Experience adjustments	(11.44)	(15.37)	-	-	(11.44)	(15.37)
Total remeasurements in OCI	**(7.15)**	**(17.26)**	**-**	**-**	**(7.15)**	**(17.26)**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Others						
Benefits paid	(18.85)	(2.42)	-	-	(18.85)	(2.42)
Closing balance	**280.83**	**205.93**	**-**	**-**	**280.84**	**205.93**

Actuarial assumptions:

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

Particulars	As at March 31, 2024	As at March 31, 2023
IKF FINANCE LIMITED		
Discount rate	7.23%	7.51%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	9.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	**25.18 years**	**25.36 years**
IKF HOME FINANCE LIMITED		
Discount rate	7.23%	7.50%
Salary escalation rate	5.00%	5.00%
Withdrawal/attrition rate (based on categories)	5.95%	5.95%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	**25.38 years**	**24.79 years**

Notes:

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

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

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

Sensitivity analysis:

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

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	303.28	260.87	222.27	191.08
IKF Finance	7.19%	-6.44%	7.00%	-6.31%
IKF Home Finance	11.34%	-9.88%	11.06%	-9.64%
Discount Rate (+/- 1%)	261.14	303.32	191.41	222.18
IKF Finance	-6.49%	7.37%	-6.34%	7.18%
IKF Home Finance	-9.17%	10.66%	-8.90%	10.36%
Withdrawal Rate (+/- 1%)	280.22	281.22	205.94	205.40
IKF Finance	-0.23%	0.18%	0.10%	-0.17%
IKF Home Finance	-0.14%	-0.04%	0.03%	-0.23%

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

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be ₹ Nil

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations

Year 1	23.28
Year 2	36.18
Year 3	19.03
Year 4	31.22
Year 5	25.74
Year 6	23.92
Year 7	24.12
Year 8	25.86
Year 9	28.18
Year 10	24.71
Year 11+	292.35

The weighted average duration of the defined benefit obligation for IKF Finance is 7.93 (for IKF Home Finance is 11.00)

c. Compensated absences :

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation	62.16	56.12
Expenses recognised in the Statement of Profit and Loss	8.78	(104.57)

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

33 Earnings per share

Particulars	As at March 31, 2024	As at March 31, 2023
Profit for the year	10,180.51	6,151.96
Weighted average number of equity shares used in calculating basic earnings per share	680.00	536.99
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.23	0.19
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	680.23	537.18
Basic earnings per share	**14.97**	**11.46**
Diluted earnings per share	**14.97**	**11.45**

34 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

35 Transfer of financial assets

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	-	-
Carrying amount of associated liabilities	-	-

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

Transfer of financial assets which qualify for derecognition in their entirety

(i) Assignment transaction

The Company has sold loans and advances measured at amortised cost under assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

The table below summarises the carrying amount of the Excess Interest Spread (EIS) receivable on above transaction which are derecognised

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of EIS receivable	5,570.52	3,972.47

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

36 Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,721.03	-	4,721.03	27,817.26	-	27,817.26
Bank Balance other than cash and cash equivalents	2,678.96	870.22	3,549.18	4,280.30	1,818.49	6,098.79
Receivables	-	-	-	-	-	-
(I) Trade receivables	145.64	-	145.64	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	117,254.30	297,043.22	414,297.52	78,156.11	190,763.93	268,920.04
Investments	12,406.62	0.00	12,406.62	21,247.83	-	21,247.83
Derivative financial instruments	62.79	-	62.79	-	-	-
Other Financial assets	2,230.68	4,308.15	6,538.84	1,391.40	3,239.08	4,630.49
Sub total	**139,500.02**	**302,221.60**	**441,721.63**	**132,892.90**	**195,821.50**	**328,714.41**
Non-financial assets						
Current Tax assets (Net)	43.25	-	43.25	372.98	27.57	400.55
Deferred Tax assets (Net)	-	-	-	-	-	-
Investment Property	-	130.03	130.03	-	72.14	72.14
Property, plant and equipment	-	350.47	350.47	-	363.00	363.00
Right to Use Assets	-	361.85	361.85	-	313.23	313.23
Capital work in progress	-	47.59	47.59	-	-	-
Intangibles assets under development	-	13.20	13.20	-	-	-
Other intangible assets	-	198.09	198.09	-	236.22	236.22
Other non-financial assets	65.15	4,381.07	4,446.22	40.79	3,475.36	3,516.15
Sub total	**108.40**	**5,482.30**	**5,590.70**	**413.77**	**4,487.52**	**4,901.29**
Total assets	**139,608.42**	**307,703.90**	**447,312.33**	**133,306.67**	**200,309.02**	**333,615.70**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative Financial Instruments	-	-	-	5.40	-	5.40
Payables						
(I) Trade payables and Other payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	157.85	-	157.85	113.02	-	113.02
Debt Securities	12,267.27	8,731.78	20,999.05	23,187.85	3,452.82	26,640.67
Borrowings (Other than Debt Securities)	130,323.75	177,141.48	307,465.23	91,456.86	121,624.93	213,081.79

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Subordinated Liabilities	10.59	16,361.88	16,372.47	8.98	16,336.07	16,345.06
Other Financial liabilities	4,218.24	1,855.45	6,073.69	3,335.85	280.32	3,616.17
Sub total	**146,977.70**	**204,090.59**	**351,068.29**	**118,107.96**	**141,694.15**	**259,802.11**
Non-Financial liabilities						
Current tax liabilities (Net)	114.33	-	114.33	-	-	-
Provisions	-	342.99	342.99	26.72	235.17	261.89
Deferred tax liabilities (Net)	-	639.43	639.43	188.82	275.55	464.37
Other non-financial liabilities	1,178.82	87.02	1,265.84	674.25	-	674.25
Sub total	**1,293.15**	**1,069.43**	**2,362.58**	**889.78**	**510.72**	**1,400.50**
Total liabilities	**148,270.85**	**205,160.03**	**353,430.87**	**118,997.74**	**142,204.87**	**261,202.61**

37 Changes in liabilities arising from financing activities

Particulars	As at March 31, 2023	Cash Flows (net)	Others (net)*	As at March 31, 2024
Subordinated liabilities	16,345.06	(0.00)	27.41	16,372.46
Debt securities	26,640.68	(4,889.84)	(751.78)	20,999.06
Borrowing other than debt securities	213,081.67	94,365.04	18.40	307,465.11
	256,067.40	**89,475.20**	**(705.97)**	**344,836.64**

Particulars	As at March 31, 2022	Cash Flows (net)	Others (net)*	As at March 31, 2023
Subordinated liabilities	6,003.45	10,500.00	(158.39)	16,345.06
Debt securities	23,807.92	2,750.08	82.68	26,640.68
Borrowing other than debt securities	132,139.07	82,050.17	(1,107.57)	213,081.67
	161,950.44	**95,300.24**	**(1,183.28)**	**256,067.40**

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

38 Employee Stock Option Plan (ESOP)

The Company had granted 5,62,860 Equity shares (face value of ₹ 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited. The shares will vest gradually and vesting of these shares is dependent on continued employment with the company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2024 is ₹ 1.08 lakhs (March 31, 2023 - ₹ (4.00) lakhs).

B. Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	146,800.00	120.00	206,000.00	120.00
Granted during the year	-		-	
Forfeited during the year		120.00	59,200.00	120.00
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at 31 March	146,800.00	120.00	146,800.00	120.00
Exercisable at 31 March	146,800.00	120.00	102,760.00	120.00

No Share options granted during the year. No options were vested or exercised during the year.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2024 is 0 years (March 31, 2023: 0.15 years).

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79

C. Fair value of options granted

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79. The fair value of options was determined using the Black Scholes Model using the following inputs as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average fair values at the measurement date	14.79	14.79
Expected volatility (%)	0.36%	0.36%
Risk–free interest rate (%)	4.50%	4.50%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1.30 years to 4.30 years
Weighted average share price (₹)	120.00	120.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

39 Contingent liabilities and commitments

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

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

39.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2024 (March 31, 2023: ₹ 0.)

39.2 Commitment

There is a capital commitment of ₹ 4478.10 lakhs as on March 31, 2024 (March 31, 2023: ₹ 0.)

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(Currency : ₹ in lakhs)

40 Leases

Company as a Lessee

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

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

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

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

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

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	313.21	19.67
Additions	302.58	457.31
Deletion	-	(8.92)
Depreciation	(253.95)	(154.86)
Closing Balance	**361.82**	**313.21**

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(Currency : ₹ in lakhs)

The following is the movement in lease liabilities :

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	322.30	21.09
Additions	281.66	428.95
Finance cost accrued during the period	46.08	36.00
Payment of lease liabilities	(271.81)	(163.73)
Balance at the end	**378.25**	**322.30**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 3 months	59.29	44.40
Over 3 months & upto 6 months	60.63	44.56
Over 6 months & upto 1 year	126.63	88.99
Over 1 year & upto 3 years	131.46	177.42
Over 3 years	14.84	6.89

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

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation expense of right-of-use assets	253.95	154.86
Interest expense on lease liabilities	46.08	36.00
Expense relating to short-term leases	515.58	420.81
Total amount recognised in profit or loss	**815.62**	**611.66**

Future Commitments:

Particulars	As at March 31, 2024
Future undiscounted lease payments for which the leases have not yet commenced	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2024.

41 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and therisk characteristics of its activities.

No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

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forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

42 Fair Value Measurement:

A. Valuation Principles

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

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

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

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

Particulars		Fair Value		Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	Category	As at March 31, 2024	As at March 31, 2023				
Investment in Mutual Funds	FVTPL	1.00	0	Level 1	Mark-to-Market of the unit	NAV of the unit	NA
Investment in Market Linked Debentures	FVTPL	0.00	17,160.75	Level 2	Mark-to-Market of the debt insrument	Valuation received from the rating agency	NA

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

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

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial Assets					
Cash and cash equivalents	1	4,721.03	27,817.26	4,721.03	27,817.26
Bank Balance other than cash and cash equivalents	1	3,549.17	6,098.78	3,549.17	6,098.78
Trade receivables	2	145.64	-	145.64	-
Loans	2	414,297.53	268,920.04	421,677.76	277,123.34
Derivative financial instruments	3	62.79	-	62.79	-
Rent and utility deposits	2	425.71	373.95	425.71	373.95
EIS receivable	2	5,570.52	3,972.47	5,570.52	3,972.47
Other financial assets	2	658.91	412.74	658.91	412.74
Investments	1	1.00	17,160.75	1.05	17,160.75
Investments in debentures	2	12,405.62	4,087.07	12,405.62	4,087.07
		441,837.94	**328,843.07**	**449,218.21**	**337,046.37**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial Liabilities					
Derivative financial instruments	2	-	5.40	-	5.40
Trade Payables	2	157.85	113.02	157.85	113.02
Debt securities	2	20,999.05	26,640.67	21,155.56	27,498.98
Borrowings (other than debt securities)	2	307,465.24	213,081.79	307,263.24	212,765.10
Subordinated Liabilities	2	16,372.47	16,345.06	16,509.34	16,458.38
Other financial liabilities	2	6,963.88	4,026.93	6,073.68	3,616.17
Total Financial liabilities		**351,958.49**	**260,212.87**	**351,159.67**	**260,457.05**

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

C. Categories of Financial Instruments :

Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	4,721.03	-	-	4,721.03
Bank Balance other than included in (a) above	3,549.17	-	-	3,549.17
Receivables	145.64	-	-	145.64
Loans	414,297.53	-	-	414,297.53
Derivative financial instruments	62.79	-	-	62.79
Investments	12,405.62	1.00	-	12,406.62
Other financial assets	6,655.13	-	-	6,655.13
Total	**441,836.93**	**1.00**	**-**	**441,837.93**

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Derivative financial instruments	-	-	-	-
Trade Payables	157.85	-	-	157.85
Debt securities	20,999.05	-	-	20,999.05
Borrowings (other than debt securities)	307,465.24	-	-	307,465.24
Subordinated Liabilities	16,372.47	-	-	16,372.47
Other financial liabilities	6,963.88	-	-	6,963.88
Total	**351,958.50**	**-**	**-**	**351,958.50**

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	27,817.26			27,817.26
Bank Balance other than included in (a) above	6,098.78	-	-	6,098.78
Loans	268,920.04	-	-	268,920.04
Investments	4,087.07	17,160.75	-	21,247.83
Other financial assets	4,759.15	-	-	4,759.15
Total	**311,682.31**	**17,160.75**	**-**	**328,843.06**
Derivative financial instruments	5.40	-	-	5.40
Trade Payables	113.02	-	-	113.02
Debt securities	26,640.67	-	-	26,640.67
Borrowings (other than debt securities)	213,081.79	-	-	213,081.79
Subordinated Liabilities	16,345.06	-	-	16,345.06
Other financial liabilities	4,026.93	-	-	4,026.93
Total	**260,212.88**	**-**	**-**	**260,212.88**

43 Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

43.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

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It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

43.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions."

Impairment assessment

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

Definition of default and cure

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

The staging criteria used by the Company is as below:

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

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

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

Exposure at default (EAD)

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

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

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(Currency : ₹ in lakhs)

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

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

Loss given Default (LGD)

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

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

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

Significant increase in credit risk

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

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

Concentration of Credit Risk

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

Geography	March 31, 2024	March 31, 2023
West	120,264.36	73,780.55
Central	15,489.37	8,709.95
South	282,479.92	189,758.74
East	300.21	-
	418,533.86	**272,249.24**

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Quantitative Information of Collateral

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

As at March 31, 2024	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	2,193.04	26,167.79	18,645.01	47,005.84
Commercial Vehicles	3,573.86	37,450.85	59,464.10	100,488.81
Construction Equipment	8,945.17	24,092.29	47,157.09	80,194.55
Three Wheeler	32.93	8,624.86	1,499.99	10,157.78
Tractor	207.46	3,210.61	725.60	4,143.67
Two Wheeler	961.67	2,460.66	208.71	3,631.04
SME	10,142.47	10,253.85	63,085.75	83,482.07
Home Loans	30,546.97	15,578.53	13,050.74	59,176.22
Loans Against Property	22,910.62	7,197.43	145.82	30,253.88
Total	**79,514.17**	**135,036.88**	**203,982.82**	**418,533.86**

As at March 31, 2023	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,130.94	23,463.73	12,695.19	37,289.86
Commercial Vehicles	1,578.17	31,736.73	29,246.64	62,561.54
Construction Equipment	4,047.76	17,681.56	23,318.34	45,047.66
Three Wheeler	34.88	10,852.93	1,572.51	12,460.32
Tractor	152.27	2,362.86	408.85	2,923.98
Two Wheeler	894.05	1,080.67	462.34	2,437.06
SME	39,829.78	4,335.27	6,759.09	50,924.14
Home Loans	21,327.19	11,401.03	8,194.22	40,922.44
Loans Against Property	13,607.70	4,074.53	-	17,682.24
Total	**82,602.75**	**106,989.31**	**82,657.18**	**272,249.24**

43.3 Liquidity Risk

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Analysis of financial assets and liabilities by remaining contractual maturities:

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2024.

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	4,721.03	-	-	-	-	4,721.03
Bank Balance other than included in (a) above	1,347.34	454.81	876.81	344.45	-	3,023.41
Trade receivables	-	145.64	-	-	525.77	671.41
Loans	43,460.54	40,318.56	75,263.03	210,048.89	143,803.33	512,894.36
Investments	12,405.02	1.61	-	-	15,219.23	27,625.85
Derivative Financial Instruments	-	62.79	-	-	-	62.79
Other financial assets	843.67	921.34	768.31	1,464.58	3,046.61	7,044.52
Total undiscounted financial assets	**62,777.60**	**41,904.76**	**76,908.14**	**211,857.93**	**162,594.94**	**556,043.36**
Financial liabilities						
Derivative Financial Instruments	-	-	-	-	-	-
Trade payables	157.85	-	-	-	-	157.85
Other payables	-	-	-	-	-	-
Subordinated Liabilities	582.39	587.88	1,162.30	6,953.27	16,166.55	25,452.39
Debt securities	3,440.38	3,379.91	6,562.28	9,306.82	-	22,689.39
Borrowings (other than debt securities)	31,427.71	31,208.63	86,852.74	149,253.42	44,425.70	343,168.20
Deposits	75.05	27.97	94.05	1,478.18	426.94	2,102.18
Other financial liabilities	3,085.91	847.71	119.55	53.22	2.10	4,108.50
Total undiscounted financial liabilities	**38,769.29**	**36,052.10**	**94,790.91**	**167,044.92**	**61,021.30**	**397,678.50**
Net undiscounted financial assets / (liabilities)	**24,008.31**	**5,852.66**	**(17,882.77)**	**44,813.01**	**101,573.65**	**158,364.86**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2023

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	11,017.27	-	16,800.00	-	-	27,817.27
Bank Balance other than included in (a) above	3,587.71	514.95	294.64	1,389.27	525.62	6,312.19
Trade receivables	-	-	-	-	-	-
Loans	24,748.10	27,675.19	53,390.47	144,237.01	75,699.50	325,750.28
Investments	21,247.82	-	-	-	10,762.73	32,010.55
Other financial assets	905.46	405.27	623.18	902.09	2,402.13	5,238.12
Total undiscounted financial assets	**61,506.36**	**28,595.41**	**71,108.28**	**146,528.36**	**89,389.97**	**397,128.39**

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(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial liabilities						
Derivative Financial Instruments	5.40	-	-	-	-	5.40
Trade payables	113.05	-	-	-	-	113.05
Other payables	-	-	-	-	-	-
Subordinated Liabilities	566.01	571.32	1,137.10	4,539.82	20,644.59	27,458.84
Debt securities	11,087.95	6,008.61	7,116.57	3,732.82	-	27,945.95
Borrowings (other than debt securities)	22,596.67	19,715.81	61,807.80	103,433.13	27,736.79	235,290.19
Deposits	-	-	-	-	-	-
Other financial liabilities	2,697.91	60.50	534.65	279.57	102.60	3,675.22
Total undiscounted financial liabilities	**37,066.98**	**26,356.24**	**70,596.13**	**111,985.33**	**48,483.98**	**294,488.65**
Net undiscounted financial assets / (liabilities)	**24,439.38**	**2,239.17**	**512.15**	**34,543.03**	**40,905.99**	**102,639.74**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2024						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2023						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**

43.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

The Company has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2024	As at March 31, 2023
On Floating Rate Borrowings:		
1% increase in interest rates	(2,078.31)	(1,733.69)
1% decrease in interest rates	2,078.31	1,733.69

43.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

43.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

43.7 Currency Risk

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

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

Following are the forward contracts to hedge the foreign exchange rate as March 31, 2024 and March 31, 2023

Particulars	purpose	Currency	Cross Currency	As at March 31, 2024	As at March 31, 2023
Forward Conracts	Term Loan	USD	₹	62.79	-5.40

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forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

44 Related Party Disclosure

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund -IIA
	Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust -II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises in which directors are interested	SVR Finance & Leasing Private Limited
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Relative of Key Management Personnel	Mrs. D. Vasantha Lakshmi - Managing Director (IKF Home Finance Limited) Mr. V. Raghu Ram Mr. Sinha Satyanand Chunduri Mrs. Durga Rani Chunduri
Key Management Personnel (KMP)	Mr V.G.K.Prasad — Chairman Mrs. V. Indira Devi — Whole time Director (upto 14th July 2023) Mrs. K Vasumathi Devi — Managing Director Mr.Sreepal Gulabchand Jain-Chief Financial Officer (Upto 10th February 2023) Mr. Ch.Sreenivasa Rao - Company Secretary and Chief Financial Officer Mr. Vishal Kumar Joshi- Company Secretary (IKF Home Finance Limited upto 9th Nov 2023) Mr. Abhishek Jain- Company Secretary (IKF Home Finance Limited) Mr. Aravind J - Chief Financial Officer (10th February 2023 to Present) (IKF Home Finance Limited)

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forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
Key management personnel										
Mr. V G K Prasad	Rent paid	-	21.60	-	-	-	24.84	-	-	-
	Director's remuneration	-	84.00	-	-	-	119.60	-	-	-
	Director Commission Payable	51.02	63.27	-	51.02	63.27	135.52	-	63.27	135.52
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1974.32*	-	-	-	1985.36*	-	-	-	1985.36*
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium on partly paid up shares **	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	153.03	-	473.79
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	236.89	-	-	-	-	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	83.86	-	320.75	-	-	320.75	-
	Unsecured Loan in IKF Home Finance	-	-	-	119.19	-	-	-	-	-
Mrs. V Indira Devi	Rent paid	-	48.00	-	-	-	55.20	-	-	-
	Director's remuneration	-	36.00	-	-	-	10.40	-	-	-
	Salary Paid	-	-	-	-	-	3.00	-	-	-
	Director Commission Payable	21.71	26.92	-	21.71	26.92	-	-	26.92	-0.00
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	164.81	-	-	-	164.81	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	14.02	-	43.41
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	21.71	-	-	-	-	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	7.68	-	29.39	-	-	29.39	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	10.92	-	-	-	10.92

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(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
Mrs. K. Vasumathi Devi	Director's remuneration	-	60.00	-	-	-	65.00	-	-	-
	Director Commission Payable	64.99	44.42	-	-	44.43	68.23	-	44.43	68.23
	Share Capital (₹ 10/- Paid up)	264.73	-	-	-	264.73	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up) **	-	-	9.80	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	61.36	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	22.52	-	69.73
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	34.87	-	-	-	-	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	12.34	-	47.21	-	-	47.21	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mr. Sreepal Gulabchand Jain	Salary Paid	-	55.40	-	-	-	-	-	-	-
Mr. Vishal Kumar Joshi	Salary Paid	-	34.49	-	-	-	8.88	-	-	-
Mr. Abhishek jain	Salary Paid	-	-	-	-	-	6.79	-	-	-
Mr. Aravind J	Salary Paid	-	-	-	-	-	41.14	-	-	-
Mr. Ch.Sreenivasa Rao	Salary Paid	-	25.41	-	-	-	30.49	-	-	-
	Staff Loan	-	-	-	-	-	-	-	-	-
	Interest Received	-	-	-	-	-	-	-	-	-
Relatives of key management personnel										
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	249.18	-	-	-	249.18	-	-	-	249.18
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	21.20	-	65.64
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	32.82	-	-	-	-	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	11.62	-	44.44	-	-	44.44	-
	Director's remuneration in IKF Home Finance	-	86.58	-	-	-	93.76	-	-	-
	Unsecured Loan in IKF Home Finance	-		-	-	-		-	-	-

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(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2023					For the FY 2024			
		As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During The year	As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During the Year	As at March 31, 2024
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	180.07	-	-	-	180.07	-	-	-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	-	-	-	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	15.32	-	47.43
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	23.72	-	-	-	-	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	8.40	-	32.11	-	-	32.11	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mr. Sinha Satyanand Chunduri	Share Capital (₹ 10/- Paid up)	11.77	-	-	-	11.77	-	-	-	11.77
Mrs. Durga Rani Chunduri	Share Capital (₹ 10/- Paid up)	149.41	-	-	-	149.41	-	-	-	149.41
Subsidiary										
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Non Convertible Debentures	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-
Enterprises having a significant influence										
India Business Excellence Fund-IIA	Share Capital (₹ 10/- Paid up)	1,305.16	-	-	-	1,305.16	-	-	-	1,305.16
	Share Premium	-	-	-	-		-	-	-	
	Compulsorily Convertible Preference Shares of ₹ 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 Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	Share Capital (₹ 10/- Paid up)	780.40	-	-	-	780.40	-	-	-	780.40
	Share Premium	-	-	-	-	-	-	-	-	-
	Compulsorily Convertible Preference Shares of ₹ 100/- Each (Converted into equity shares during the FY 2018-19)									
	Share premium on preference shares									

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term employee benefits	579.81	516.49
Post-employment benefits#	1.41	2.04
Long-term employee benefits	-	-
Contributions to Defined contribution plan- Provident fund	1.23	2.19
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	**582.45**	**520.73**

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

* The Increased/Decreased value is relating to purchase of shares/debentures from the public.

** Partly paid shares are full paid and converted to fully paid equity shares .

*** Since the amounts are in lakhs, ₹10 subscribed by promoters is shown as zero

Notes:

(i) Transaction values are excluding taxes and duties.

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

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

(iv) The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2024 and March 31, 2023.

45 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil

46 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Legal and professional fees	5.52	0.51
Total	**5.52**	**0.51**

47 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

48 Penalty

No penalties were imposed by RBI and other regulators during the current year

49 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2024 (previous year: Nil)

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

50 Postponement of Revenue Recognition

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

51 Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2024, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED

52 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans #	619.57	10.36	-	164.85	454.73
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	76.34	-	-	5.33	71.01
Total	**695.92**	**10.36**	**-**	**170.18**	**525.74**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** In case of loan in "others" category, Customer has paid scheduled installment and interest amount of ₹ 1.5 lakhs was added to outstanding amount

pertains to Home loans and Loan Against Property of IKF Home Finance Limited

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 6, 2020 are not applicable to the Company as none of the borrowers opted for the resolution plan.

53 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 . No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

54 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

55 Compliance with approved Scheme(s) of Arrangements

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2024 and March 31, 2023.

56 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 Undisclosed income

There are no transactions not recorded in the books of accounts.

58 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2024 and March 31, 2023.

59 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

60 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

61 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

62 Relationship with Struck off Companies

The company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.

63 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

64 Note on Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective

65 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

Sudha Jaideep Shetty
Partner
Membership No.047684

Place: Hyderabad
Date: 29 May 2024

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

Notes

forming part of Consolidated Financial Statements for the Year ended March 31, 2024

(Currency : ₹ in lakhs)

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
1	2	3	4	5	6	7	8	9
Parent								
IKF Finance Limited	93.04%	88,066.06	75.61%	7,697.44	16.96%	-3.26	75.72%	7,694.18
Subsidiaries								
Indian								
IKF Home Finance Limited	5.64%	5,341.14	20.91%	2,128.85	83.04%	-15.96	20.81%	2,114.50
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority Interest in all subsidiaries	1.32%	1,248.72	2.35%	239.40	-	-	2.34%	237.78
Inter-company eliminations and consolidation adjustments	-	-	1.13%	114.82	-	-	1.13%	114.82
Associates (Investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total	100.00%	94,655.92	100.00%	10,180.51	100.00%	-19.22	100.00%	10,161.29

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sudha Jaideep Shetty
Partner
Membership No.047684

Ch.Sreenivasa Rao
Company Secretary & Chief Financial Officer
M.No. ACS14723

Place: Hyderabad
Date: 29 May 2024

Place: Hyderabad
Date: 29 May 2024

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Raidurg (Panmaqtha) Village, Serilingampally Mandal,
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