No. 01
Addressed to: Unifi AIF

PLACEMENT MEMORANDUM

IKF FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956 on May 30,1991, Vijayawada (registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Registered office: 40-1-144, Corporate Centre, M.G. Road, Vijayawada – 520 010 , India

Corporate office: 4th Floor, Central Plaza Building, Near Yashoda Hospital, Somajiguda, Hyderabad-82

CIN: U65992AP1991PLC012736;

Website: https://www.ikffinance.com/

PAN: AAACI4784J

NBFC Registration: B-09.00172

Compliance Officer: Ch Sreenivasa Rao, Phone No:0866-2474644, Mail Id: sreenivas@ikffinance.com
Company Secretary: Ch Sreenivasa Rao, Phone No:0866-2474644, Mail Id: sreenivas@ikffinance.com
Chief Financial Officer: Sreepal Gulabchand Jain, Phone No 040-23411181, Mail Id: sreepal@ikffinance.com

Promoter(s):		
Mr. Vupputuri Gopala Kishan Prasad Telephone Number: 0866-2474644 Email address: prasadvgk@ikffinance.com	Vupputuri Indira Devi Telephone Number: 0866-2474644 Email address: prasadvgk@yahoo.com	Koganti Vasumathi Devi Telephone Number:040-23412081 Email address: vasumathi@ikffinance.com

Placement Memorandum for issue of Debentures on a private placement basis
Dated: September 29, 2021

Issue of 300 (Three Hundred) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Five Crores only) comprising of 150 (One Hundred and Fifty) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures aggregating to INR 15,00,00,000, ("Series 1"), 150 (One Hundred and Fifty) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures aggregating to INR 15,00,00,000 ("Series 2") and on a private placement basis (the "**Issue**").

Debenture Trustee	**Register & Transfer Agent[**	**Credit Rating Agency**
IDBI Trusteeship Services Limited Asian Building, Ground Floor 17 R, Kamani Marg Mumbai -400001 Tel: 022-40807000 Fax: +91 (022) 66311776	**Bigshare Services Private Limited** E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072 Tel: +022 2847 0652	CARE Ratings Limited Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Telephone Number: +91-22- 6754 3456 Email address: care@careratings.com Contact person: Mr. Ravi

Email: itsl@idbitrustee.com Contact Person: Mr. Nikhil Lohana Website: www.idbitrustee.com	Email: mohan@bigshareonline.com Contact Person: Mr. N. V. K. Mohan Website: https://www.bigshareonline.com/	
Valuation Agency ICRA Analytics Limited	Infinity Benchmark, 17th & 18th Floors, Plot – G-1, Block GP, Sector V, Salt Lake, Kolkata – 700091, West Bengal, India Telephone Number: +91 98202 41005 Email address: ashwini.kumar@icraanalytics.com Contact person: Mr. Ashwini Kumar	

ISSUE SCHEDULE			
Issue Opens on:	Issue Closes on:	Pay in Date	Deemed date of allotment
September 30,2021	September 30,2021	September 30,2021	September 30,2021

ISSUE DETAILS	
Redemption Amount	Linked to 10 Year G-sec 5.85 GS 2030 (ISIN - IN0020200294)
Payment Frequency	Bullet
Redemption Date	Series 1 – March 30, 2023 Series 2 - September 30, 2023
Redemption Amount	Redemption at PAR
Credit Rating	The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("**Rating Agency**" / "**CARE**"). The Rating Agency has vide its letter dated September 28, 2021 and rating rationale dated September 28, 2021 assigned a rating of CARE PP MLD A; Stable (pronounced as "CARE Principal Protected Market Linked Debentures A") with Stable outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** (*Rating Letter, Rating Rationale and detailed Press Release from the Rating Agency*) of this Placement Memorandum for the letter dated September 28, 2021 and rating rationale dated September 28, 2021 from the Rating Agency assigning the credit rating abovementioned and the press release by the Rating Agency in this respect.
Details of Eligible Investors	As provided in Section 8 of this Information Memorandum
Listing	The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("**BSE**" or the "**Stock Exchange**").
Electronic Book Provider Platform	NA
Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:	Not applicable.

Background
This Placement Memorandum is related to the Debentures to be issued by IKF Finance Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on 24.12.2020 and the Board of Directors of the Issuer on 21.07.2021 and read with the resolution passed by the Management Committee of the Board of Directors of the Issuer on September 23,2021 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated 24.12.2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores only). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s). The issue of Debentures / bonds shall not form part of non-equity regulatory capital mentioned under Chapter V of SEBI Debt Listing Regulations. The face value of each Debenture issued on private placement basis shall be Rs. 10,00,000/- (Rupees Ten lakh only).

Undertakings of the Issuer
Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, and that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
No Side Letters
The Issuer has no side letter with any debenture holders except the one(s) disclosed in the Supplemental Placement Memorandums. Any covenants later added shall be disclosed on the stock exchange website where the debentures are listed
NON-APPLICABILITY DISCLAIMER
This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis shall be Rs. Ten lakh.
General Risk
Investment in Debentures involve a degree of risk and investors should not invest any funds in the Debentures unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase such securities. Further, the Debentures are created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the Issuer whereby the Investor may or may not recover all or part of the funds in case of default by the Issuer.

Disclaimer of the Issuer
The Issuer confirms that the information contained in this Placement Memorandum is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer has been made available in this Placement Memorandum for the use and perusal of the potential investors/debenture holders and no selective or additional information would be available for a section of potential

investors/debenture holders, in any manner whatsoever. The Issuer accepts no responsibility for statements made otherwise than in this Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

This Placement Memorandum has been prepared to provide general information about the Issuer and the Issue to potential debenture holders to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any potential investors/debenture holder may require. Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each potential investor/debenture holder contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors/debenture holders should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such debenture holder's particular circumstances.

Issue Schedule	
Issue Opening Date	September 30, 2021
Issue Closing Date	September 30, 2021
Pay In Date	September 30, 2021
Deemed Date of Allotment	September 30, 2021

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot / Allotment / Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as **Annexure IV**.
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	BSE Limited (formerly known as Bombay Stock Exchange).
Business Day	Any day of the week (excluding non-working Saturdays, Sundays, and any day on which banks are closed for business in Mumbai and Jaipur) on which banks are open for business in Mumbai and Jaipur, and "**Business Day**" shall be construed accordingly.
CDSL	Central Depository Services (India) Limited
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.
Client Loan	Shall mean each loan made by the Company as a lender and "**Client Loans**" shall refer to the aggregate of such loans.
Control	shall mean (a) the direct or indirect beneficial ownership of or the right to vote in respect of, directly or indirectly, more than 51% (Fifty One percent) of the voting shares or securities of such person; (b) the power to control the majority of the composition of the board of directors of such person; (c) the power to control the management or policy decisions exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder's agreements or voting agreements or in any other manner; or (d) any combination of (a), (b) and (c). For avoidance of doubt, it is clarified that the term "Control" shall also include the instances covered within the definition of control in Section 2(27) of the Companies Act, 2013.
Company/Issuer	IKF Finance Limited
Crore	Ten Million
Debentures/NCDs	Issue of 300 (Three Hundred) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores only) comprising of 150 (One Hundred and Fifty) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures aggregating to INR 15,00,00,000 ("Series 1"), 150 (One Hundred and Fifty) rated, listed, senior, unsecured, redeemable, taxable, market linked, principal protected non-convertible debentures aggregating to INR 15,00,00,000 ("Series 2")
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer, which shall include the registered transferees of the Debentures from time to time.
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trustee Agreement	Agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.

Debenture Trust Deed	Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Issuer *inter alia* recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Personal Guarantee	Shall mean the deed of personal guarantee to be executed by Mr. VGK Prasad in favour of the Debenture Trustee to secure the obligations of the Company in relation to the Debentures.
Deemed Date of Allotment	September 30, 2021
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depositories	NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Disclosure Document / Placement Memorandum	This document which sets out the terms and conditions for the Issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
DP ID	Depository Participant Identification Number
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, on exercise of the option to redeem the Debentures prior to the scheduled Maturity Date or acceleration.
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in S. No. 25 of Part A (*Disclosures*) above.
Final Settlement Date	The date on which the entire outstanding amounts of the Company in relation to the Debentures including the redemption amount , the Default Interest, additional interest, costs, fees, charges, etc. and all obligations of the Company under the Transaction Documents have been irrevocably and unconditionally discharged in full, to the satisfaction of the Debenture Trustee.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
IBC	Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
IND AS	Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Information Utility	National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	Private Placement of the Debentures.

Issue Closing Date	September 30, 2021
Issue Opening Date	September 30, 2021
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition (not being an event or circumstance arising out of any legislative or regulatory actions) which has caused or is likely to cause, as of any date of determination, in the sole opinion of the Debenture Trustee, a material and adverse effect on: (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	Series 1: March 30, 2023, being 18 (Eighteen) months from the Deemed Date of Allotment, Series 2: September 30, 2023, being 30 (Thirty) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal amount of the Debentures becomes due and payable provided by the Debenture Holders, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A.	Not Applicable.
NBFC	Non-banking financial company.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	The private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and as annexed in Section 10 of this Placement Memorandum.
Rating Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai, Maharashtra 400022.
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive Redemption Amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Bigshare Services Private Limited
ROC	Registrar of Companies
Rs. / INR	Indian National Rupee
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI read with the operational circular for issue and listing of non-convertible securities,

	securities debt instruments, security receipts, municipal debt securities and commercial paper dated August 10, 2021 issued by Securities and Exchange Board of India, each as amended from time to time.
TDS	Tax Deducted at Source
The Companies Act/ the Act / the Companies Act, 2013	The Companies Act, 2013, along with the rules and regulations made thereunder and the notifications, circulars and orders issued in relation thereto, as amended from time to time.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 7 (*Transaction Documents and Key Terms*) of this Placement Memorandum and shall include the Placement Memorandum, the Private Placement Offer cum Application Letter, the Debenture Trustee Agreement, the Deed of Personal Guarantee, the shareholder resolution passed by the Company under the terms of Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013, the board resolution authorising the issuance of Debentures under Section 179 of the Companies Act, 2013, the credit rating letter and rating rationale from the Rating Agency, the consent letter from the Debenture Trustee, the Debenture Trust Deed, the Deed of Hypothecation and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Valuation Agency	Means ICRA Analytics Limited
Valuation Fees	Shall mean the fees paid by the Company to the Valuation Agency for valuing the Debentures, which fees shall not exceed 0.3% (Zero Decimal Three Point Percent) per annum of the outstanding principal amount of the Debentures.
WDM	Wholesale Debt Market segment of the BSE.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(ss) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

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

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

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

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been

sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

2.3 DISCLAIMER CLAUSE OF RBI

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

2.4 DISCLAIMER CLAUSE OF SEBI

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

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Save and except as set out therein, any disputes arising out of this Issue shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 in the manner set out under the Debenture Trust Deed. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the allotment to the investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.8 DISCLAIMER OF DISTRIBUTOR:

It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Placement Memorandum. The role of the Distributor in the assignment is confined to marketing and placement of the Debentures on the basis of this Placement Memorandum as prepared by the Issuer. The Distributor has neither scrutinized/ vetted nor has it done any due-diligence for verification of the contents of this Placement Memorandum. The Distributor shall use this document for the purpose of soliciting subscription to eligible investors in the Debentures to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Distributor should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Distributor; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme of the Issuer. The Distributor or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

2.9 FORCE MAJEURE

Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the exchange with regard to the Reference Index or the Issuer's obligations under this Placement Memorandum due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer. For this purpose, Force Majeure shall mean means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.

2.10 DISCLOSURES AND RISKS RELATING TO THE MLD

Please refer to **Annexure VI** setting out the detailed scenario analysis/ valuation matrix showing value of the security under different market conditions along with graphic representation.

2.11 DISCLAIMER OF VALUATION AGENT

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different. The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.

SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3. GENERAL RISKS

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) Repayment is subject to the credit risk of the Issuer.

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

(b) The secondary market for non-convertible securities may be illiquid.

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

(c) Credit Risk & Rating Downgrade Risk.

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

(d) Changes in interest rates may affect the price of Debentures.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(e) Tax Considerations and Legal Considerations.

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

(f) Accounting Considerations.

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

(g) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

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

(h) Prospective investors are advised to carefully read these key risks associated with the Debentures. These risks are not, and are not intended to be, a complete list of all risks and consider

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those investors capable of understanding the risks involved in such instruments. The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till Maturity Date as set out in this Offer Letter. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

(i) Model Risk
Investment in Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

3.2 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) Security maybe insufficient to redeem the Debentures.

In the event that the Company is unable to meet its payment and other obligations towards investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security, and (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

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

With reference to our application No: **14394 dated 16/07/2020, BSE has declined to list our NCD to Bank of India, citing the reason** *In reference to Para 3(A)(j) of Schedule I of SEBI*

(ILDS) Regulations 2008 reproduced above, it is clarified that Issuers proposing to issue and list NCDs in case of private placement are required to disclose audited financials or limited-review financials, as applicable, in the placement memorandum. It is clarified that Audited Financials or Un-audited Financials with Limited Review, including for Stub Period, shall not be more than 6 months old from the date of Private Placement Memorandum.

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

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

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

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

3.6 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) <u>If the Issuer is unable to control the level of non-performing loans ("**NPAs**") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.</u>

The Client Loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on June 30, 2021 the gross NPA was INR 58.61 Crore on a gross portfolio of INR 1488.71 Crore.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations.

(b) <u>Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.</u>

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The

Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(c) The Issuer is exposed to certain political, regulatory and concentration of risks.

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

(d) The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees.

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(e) The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position.

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(f) The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk.

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are

highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

(g) Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. Additionally, RBI has issued detailed directions on prudential norms inter alia prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

3.7 ANY OTHER RISK FACTORS

(a) Legality of Purchase

Potential investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2021 are set out in **Annexure V** (*Last Audited Financial Statements and Auditor's Report*) of this Placement Memorandum.

SECTION 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 5, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

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

(a) This Placement Memorandum;
(b) Memorandum and Articles of Association of the Issuer;
(c) Copy of the necessary resolution(s) authorizing the borrowings, issuance of the Debentures and list of authorized signatories for the allotment of securities;
(d) Copy of last 3 (Three) years audited Annual Reports;
(e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(f) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on December 24 2020 authorizing the borrowings of the Company including through issuance / offer of non-convertible debentures by the Company;
(g) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such securities have been proposed to be listed;
(h) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favour of the debenture trustee to the proposed issue has been obtained; and
(i) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last 3 (Three) years audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
(e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this Section 5.2 with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

5.3 Details of Promoters of the Issuer:

S.no	Details of Promoter Management	Description		
1.	Name of promoter	Mr. VGK Prasad	Mrs.V.Indira Devi	Mrs.K.Vasumathi Devi

2.	Date of Birth	02.09.1947	01.12.1959	09.05.1975
3.	Age	74 Years	62 Years	46 years
4.	Personal Addresses	59A-16-4/8, 3rd Road, RTC Colony, Vijayawada, Andhra Pradesh	59A-16-4/8, 3rd Road, RTC Colony, Vijayawada, Andhra Pradesh	
5.	Education Qualifications	B.Sc.,	Under Graduate	BE (Electronics & Communications) MBA (Global Management, USA)
6.	Experience in the business or employment	Management & Administration more than three decades	Management & Administration more than three decades	Associated with IKF Finance Limited as Executive Director since 2007
7.	positions/posts held in the past by the promoter management	Managing Director since incorporation	Director of the Company since incorporation	Having nine (9) years of working experience in IT and Telecommunications in several US Companies.
8.	directorships held by the promoter management	Director of IKF Home Finance Limited **Director of IKF Infratech Private Limited**	**Director of IKF Infratech Private Limited**	Director of IKF Home Finance Limited
9.	Other ventures of the promoter management	IKF Home Finance Limited IKF Infratech Private Limited	IKF Infratech Private Limited	IKF Home Finance Limited
10.	Special achievements	Mr.Prasad has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. Mr. Prasad has presided over the Krishna District Auto Financiers Association, considered to be one of the strongest and most organized Financiers Association in India, for quite a considerable period. Mr.Prasad has occupied various positions in the Federation of Indian Hire Purchase Associations (FIHPA), the Apex	Mrs.V Indira Devi, being one of the Core Promoter of the Company, has been in to the Vehicle finance space for over the last three and half decades and has been instrumental in the growth of the Company since its inception.	She joined the Company in 2006 and has gained expertise in Business Development, Operations management, Credit & Risk etc. over the last 12 years.

		body of Asset Financing Companies, and has acted as the Secretary General till 2010 and as President till 2012.		
11.	Business and financial activities of the promoter management	Management & Administration	Management & Administration	**Finance & Operations**
12.	Photograph			
13.	Permanent Accountant Number	ACKPV7061N	ABXPV8272D	AXEPK4252F
14.	Aadhaar Number	777797795738	481530364515	449365750279
15.	Driving License Number	-	-	-
16.	Bank Account Number(s)	11520100098809 The Federal bank Ltd	11520100101074 The Federal bank Ltd	3101307186 Central Bank Of India
17.	Passport Number(s)	G 7533934	G 8169837	212258301

5.4 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	Name: IDBITRUSTEESHIP SERVICES LIMITED Logo: IDBI trustee IDBI Trusteeship Services Ltd Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001. Website: http://www.idbitrustee.com Email address: nikhil@idbitrustee.com Telephone Number: .:(91) (22) 40807068 Contact Person: Mr. Nikhil Lohana
2.	Credit Rating Agency for the Issue	Name: CARE Ratings Limited Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. Logo: CARE Ratings Professional Risk Opinion Website: www.careratings.com Telephone Number: +91.22.61693300 Email address: care@careratings.com

		Contact person: Mr. Sriram Rajgopalan
3.	Registrar to the Issue	Name: **Bigshare Services Private Limited** Address: E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072 Logo: Bigshare Services Pvt. Ltd. Telephone Number : 022 2847 0652 Fax number:022 2847 0652 Website: **www.bigshareonline.com** Email address: mohan@bigshareonline.com Contact Person: Mr .M.Mohan
4.	Statutory Auditors	Name: **M/S.S.R. Batliboi & Co. LLP.** Chartered Accountants 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West) Mumbai – 400028 Logo: No logo Website: [-] Email address: jitendra.ranawar@srb.in Telephone Number: 022 6192000 Contact Person: Jitendra Ranawat
5.	Legal Counsel (if any)	Legal Counsel in relation to the Issue: Name: Verist Law VERIST LAW Address: The Empire Business Centre, 414 Senapati Bapat Marg, Lower Parel, Mumbai 400013 Tel: 011 4707 8034 E-mail: sudha.muddaiah@veristlaw.com Contact Person: Sudha Muddaiah Website: www.veristlaw.com
6.	Guarantor (if applicable)	Name: N.A. Logo: N.A. Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A. Contact Person: N.A.
7.	Arrangers, if any	Name: N.A. Logo: N.A. Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A.

		Contact Person: N.A.

5.5 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(a) **Overview of the business of the Issuer**

IKF Finance Ltd. (IKF) is registered with the RBI as a Non-Deposit Accepting Non-Banking Finance Company. It is classified as an asset financing company with a focus on vehicles financing. It was incorporated in 1991 as Indra Keela Financiers Private Limited and was converted into a Public Limited Company in 1994 when the name was changed to IKF Finance & Investments Limited. The Company went for a public issue in 1995, a Rights Issue in 1998 and a Preferential Issue in 2003, 2007, 2011 & 2018.

MAIN OBJECTS AND BUSINESS OF THE ISSUER

The company caters to the needs of Small Road Transport Operators (SRTOs) by extending financial support for acquiring commercial vehicles.

IKF operates from its branches spread across the states of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Kerala, Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. The company had an AUM of INR 1380.64 Crore as on 30 September 2020.

IKF has been actively involved in Asset Management (Channel Business) activities wherein it has been involved in origination and management of loan portfolios for HDFC Bank, Bajaj Finance Limited. The Company has originated in excess of Rs. 500 Cr loan book over the last 9 years for its business associates. IKF has been focusing on building on book portfolio for past three years.

PRODUCT DETAILS
1. Product details

Target customers of the company are:
1. Driver cum Owners
2. First Time Buyers (FTBs) & First Time Users (FTUs)
3. Small fleet Operators (2-3 vehicles)

Feature	Description
Age limit of the borrower	18-65 years
Purpose of the loan	Purchase/refinance of commercial vehicle
LTV	Used: Upto New: Upto 85% for fully built vehicle
Loan Tenure	2 to 4 Years
Interest Rate	Used: 18 to New: 16 to
Service Charge	025 to 0.5% is the range (linked to IRR)
Legal and Technical verification charges	Actuals paid directly by customer
Repayment mode	PDC, ECS, Cash
Vehicle Insurance	Mandatory
Pre-closure charges	% of loan outstanding

Processes
Origination

Enquiry Generation		Field Investigation		FI Report Preparation		Collection of KYC and other documents
Preparation of Credit Approval Memo		Approval by Credit Head		Disbursement		Post Disbursement formalities

Sourcing of clients is done through direct and indirect marketing and distribution channels:

Direct Through Branches / Satellite Branches

1. Leads generated by the Marketing Team
2. Walk-in Customers
3. Existing Customers / Guarantors
4. References secured from existing Customers / Guarantors

Indirect — through external sources

l . Dealer References
2. DSAs
3. Brokers / Consultants
The management's emphasis is on sourcing business from the existing customers and their references.

After identifying a prospective borrower and before putting up the proposal for approval,

Marketing / Field Executive(s) verify/assess the borrower's repayment capacity and ability to pay in adverse situations. Analysis is also done to establish the credit worthiness of the Guarantor. First field investigation is done by the field executives which covers the following:

1. Physical verification of Residence/Place of business
2. Verification with address proofs
3. Verification with property and income proofs
4. Verification with previous track record or Bank statements etc.
5. Credibility of the borrower & Guarantor in the locality where they reside
6. Authentication of documents submitted for verification
7. Whether the borrower's requirements are in line with the Company's credit policy,

   (in terms of funding, rate of interest, tenure, vehicle make & model etc.)
8. Earning capacity of the vehicle, in terms of its viability, route of operation, segment/industry in which it operates and its prospects etc.

IKF focuses on clients who have formal contracts with contractors/ companies.

After going through the FI findings, the field executives with the help of back office operations staff put up the proposal for approval of Branch Manager. The Executive has to physically verify the vehicle before sending the proposal.

KYC information is shared with the HO credit team on mail so that internal de-dupe can be carried out and a CIBIL check is run. CIBIL check is done centrally.

On receiving proposal from Branch, the credit department scrutinizes the documents submitted by the borrower and Guarantor and verify their authenticity with the online data available on the Internet.

For example: PAN Card / Income Tax Returns with Income Tax website Driving License / Vehicle Details with RTA Website

1. Voter Card with Election Commission website
2. Property Tax Paid with Municipal / Corporation Website
3. Property Details with Registration / Revenue Dept Websites.

4. Bank Statements with respective Banks
5. Repayment track with other Financiers / Bankers

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

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

Field Investigation

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

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

External valuation of vehicle

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

Valuation report contains details of the vehicle including vehicle identification details, registration details, permit and tax details, insurance details, status of the RC book, condition of the vehicle and estimated market value of the customer.

Report is submitted along with 4(Front, back and one side, other side and chassis number) photographs of the vehicle and a tracing of the engine and chassis number.

Vehicle Finance Grid

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

1. Vehicle Grid Values
2. IDV as mentioned in Insurance Policy
3. Valuation given by the Certified Valuer / Surveyor

However it was observed that credit team approved valuation taking a lower of (i) and (ii). This is in line with the market practice, followed by other originators.

Vehicles financed by IKF include cars, construction equipment, HCV, LCV, SCV, MUV, Three Wheelers and tractors manufactured by:

ASHOK LEYLAND	JCB
Asia Motor Works	L & T
ATUL	MAHINDRA & MAHINDRA
BAJAJ	PIAGGIO
Caterpillar India Ltd	SWARAJ
CHEVROLET	TATA
EICHER	TOYOTA
ESCORTS	TVS

FORCE	HARVESTER

The company has been financing HCVs and LCVs. With the recent developments in economy, IKF has taken a call to go slow on funding HCVs. However they wouldn't want to exit the HCV finance market entirely, IKF has stopped financing HCVs in Karnataka and other states which have been affected by the mining ban. In the Hyderabad region the company is planning to finance a lot of three wheelers as new licenses will be issued by the state government after a long time. IKF also finances cars, construction equipment and agriculture equipment on a selective basis.

Preparation of Vehicle finance grid

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

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

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

Sanctioning Authority for Approval

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

Disbursements

All disbursements are through cheques. An invoice is issued immediately after disbursement. Ideally the disbursement is done only after endorsement of the hypothecation in the RC book of the vehicle. However to maintain the TAT to remain competitive in the market, all documents required for the endorsement of hypothecation are collected and loan is disbursed.

Endorsement of hypothecation

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

Delinquency Management

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

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

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

All the Accounts are assigned to the recovery executives based on their geographical operational area.

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

Repossession Policy

IKF has a well-defined repossession policy which includes details on when vehicles can be repossessed, the responsibility matrix and along with the mechanism for sale of vehicles post repossession.

Responsibility for implementing repossession related activities rests with the Branch Recovery Manager / Team Leader. If any branch doesn't have a recovery manager, the repossession activities are conducted by the Branch Manager. As per the policy, any employee / agent of the company and / or company's empanelled repossession agency can repossess the vehicle subject to the company's guidelines.

Vehicles are repossessed in following conditions:

1. Non-starter cases: Failed to remit the 1st instalment for a continuous period of 30 days from the due date. (Eg. 0, l , 2)
2. Account crosses 90+ DPD
3. The borrower has patted with the possession of the vehicle with any one or where the vehicle is in the possession of anyone other than the borrower
4. The borrower fails to register his vehicle with the RTA even after 30 days from the date of delivery of vehicle (in case of new vehicles)
5. The borrower plies the vehicle in contravention of any statutory rules / regulations
6. The borrower fails to take an insurance cover for the Vehicle

Cash and Cheque management

Cash collected at the branch is deposited in the bank either on the same day or on the next working day. The branch manager decides the person who will deposit the money into the bank. (Individual staff also deposits the money).

IKF does not have any cover for cash in transit and at the branches and doesn't have any fidelity insurance.
Each branch has a safe to store cash, the keys are with Branch manager. There is no limit on the amount that can be kept in the branch; it is ensured that all money collected is deposited in to the bank account as soon as possible.
A Daily Cash Reconciliation report along with receipts is sent to the HO. The non-cash collection is through the Post-dated cheques (PDCs). Cheque management system is centralized and operated from Hyderabad.

Systems

The IT department at IKF is a 2 member team. The team is based at the HO and takes care of hardware and software related requirements of the company.

IKF uses Jaguar NBFC software, a comprehensive application for NBFCs. The software has been made by a Jalandhar (Punjab) based company named Jaguar Software Solutions. The software is available in various versions. IKF uses the web based enterprise version of the software. It has Microsoft asp.net at the front end and database is maintained in MS SQL server. The web based version enables access to reports on a real time basis.

All branches are have at least one computer and an internet connection. All data entry is done by the operations team at the HO. The entry of receipts is done by the branch staff. Upon collection of repayment the branch staffs issue a receipt. This receipt has 3 copies — original is given to the customer, one copy remains at the branch and one copy is sent by courier to the HO. It was observed that the receipt number in the computer and that on the already printed receipt were different.

The system allows for differential access; each branch has a different id and password, and is able to view details for his area of operations (as defined by the administrator). Log trail of data entry is maintained.

Only IT team after an approval of ED or the MD is allowed to make entry for back dates or for editing of data already entered

The software has integrated module to maintain Accounts and Operations. The software is able to generate correct ageing reports at any point of time. It allows for conducting a de dupe based on multiple parameters and for tagging of loans to different funders.

Servers are maintained at the Hyderabad and Vijayawada where automatic back of data is taken for every night. No other data backup mechanism.

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

Branch Details:

S. No	Purpose	State	Location	Branch Full Address
1	Office	Maharashtra	Ahemd Nagar	2nd Floor, Mauli Sankul, Manmad Road, Savedi, Maharashtra, Ahmednagar – 414001
2	Office	Gujarat	Ahmedabad	4th Floor,407 Tilakraj complex, B/H Sanskruti Show Room, Panchvati Cross Road, Ambawadi
3	Office	Rajasthan	Ajmer	C/o Vishwakarma machine, Near power House, Naseerabad Road, Ajmer-305001
4	Office	Rajasthan	Alwar	Office No-2nd floor,Omji

				Center,14,Tej Madi ,Station Road ,Alwar 301001
5	Office	Gujarat	Anand	4, Municipal Shopping Center, Opp- Baliyadev Temple, Opp- Fire Brigade Gunj Bajar, Anand- 308001
6	Office	Andhra Pradesh	Anantapur	1-1249, Gouraram Ram Reddy complex, Alamuru Road, Rudrampeta, Ananthapur - 515001.
7	Office	Gujarat	Ankleswar	office No-206,Anmol Plaza ,Opp GIDCBus stop ,Old N.H.Number- 08,Ankleshwar,pin-393001
8	Office	Maharashtra	Aurangabad	F-7, Opp Atithi Hotel, Rana Nagar Kuber Avenue Plaza, Jalna Road Aurangabad- 431001
9	Office	Karnataka	Bangalore	No 64 & 65, 3rd floor, Galaxy Chambers, 21st main road, BSK ll Stage, Bangalore 560070.
10	Office	Maharashtra	Baramati	Shop No. 4, Amruta Arcade, Plot No 279/1/B, Ashok Nagar, Baramati, Dist Pune, Maharashtra - 413102
11	Office	Ma harashtra	Belapur	No 502, Brahma Complex, Plot No 53, Sector- 15, CBD Belapur, Navi Mumbai- 400614
12	Office	Karnataka	Belgaum	Mahadev Plaza, C.T.S No. 10719, 3rd Floor, Kholapur Cross, Nehru Nagar, Belgaum – 590001
13	Office	Karnataka	Bellary	H.NO:22/B MARUTHI COMPLEX WARD NO-60,BALAJI RAO ROAD BELLARY-583101
14	Office	Maharashtra	Bhandara	Plot no 65, First Floor, Vairaghades House, Santaji Ward, Bus Station Road, Bhandara - 441904
15	Office	Madha Pradesh	Bhanwar Kuwa	IKF FINANCE LTD, Plot No. 5, Office No. 205, Second Floor, Prem Plaza, Samrat Ashok Nagar, Bhanwar kuwa, Indore- 452001.
16	Office	Andhra Pradesh	Bhimavaram	D./No 2-1-39, 2nd Floor, HLF Office Back Side, Hotlines Super Market Upstair, Sivaraopeta, Juvvalapalem Road, Bhimavaram -534202.
17	Office	Madhya Pradesh	Bhopal	SM-8, B Block, Mansarovar Complex, Opp Habibganj

				Railway Station, Hoshangabad Road, Bhopal
18	Office	Gujarat	Bhuj	Office No 23 B Wing Katira Commerical Complex, Opp: Fire Brigade RTO Relocation Site, Bhuj Kutch - 370001
19	Office	Rajasthan	Bundi	Devshree Complex Opp, Arya Samaj Mandir, Bye Pass Road Bundi-323001
20	Office	Telangana	Chanda Nagar	SVL Towers , office number 2-57/5/104, 1st floor Chanda nagar Hyderabad - 500050
21	Office	Maharashtra	Chandarpur	First Floor, Yergude Complex, Nanaji Nagar, Nagpur Road, Chandrapur - 442401.
22	Office	Tamil Nadu	Chengalpattu	No: 57/A, Maniyan Streed, Thirukalukundram Raod, Near Bharat Petrol pump, Melamaiyur, Chengalpattu
23	Office	Tamil Nadu	Chennai	Flat No:11,'C' Wing 7th Floor, Parsn Manere NO:442/602, Anna Salai Chennai-600006
24	Office	Tamil Nadu	Coimbatore	1st Floor, 1054/6&7, Gowtham Center Annex, Avinashi Road, Coimbatore
25	Office	Madhya Pradesh	Dhar	No: 21&22, 1st floor, Kashi Bagh colony, Trimurti Chouraha, above IDBI Bank, Dhar - 454001.
26	Office	Telangana	ECIL	Plot number 11, sriram nagar agarwal super market, radhika theater back side ECIl, Hyderabad pin code -500062
27	Office	Andhra Pradesh	Eluru	#23b/57, 2nd Floor, Vasavee Plaza, Opp. Sathya Bhama Showrrom, Eedaravari Street, Dr. Prabhavathi Hospital Road, R.R. Peta, Eluru - 534002.
28	Office	Kerala	Ernakulam	CC-31/33031 Nr. Sree Krishna Temple Ponnuri Vyttla Cochin – 682019
29	Office	Tamil Nadu	Erode	Karthi Complex ,shop No-2,1st floor ,17,Agilmedu Street ,6th street ,sait colony ,Erode,Tamilnadu - 638001
30	Office	Gujarat	Gandhidam	office No-15 & 16 ,plot no-317 ,ward-12/B ,.2nd floor ,Sonali park,opp kotak Mahindra Bank ,Gandhidham,kachchh-370201

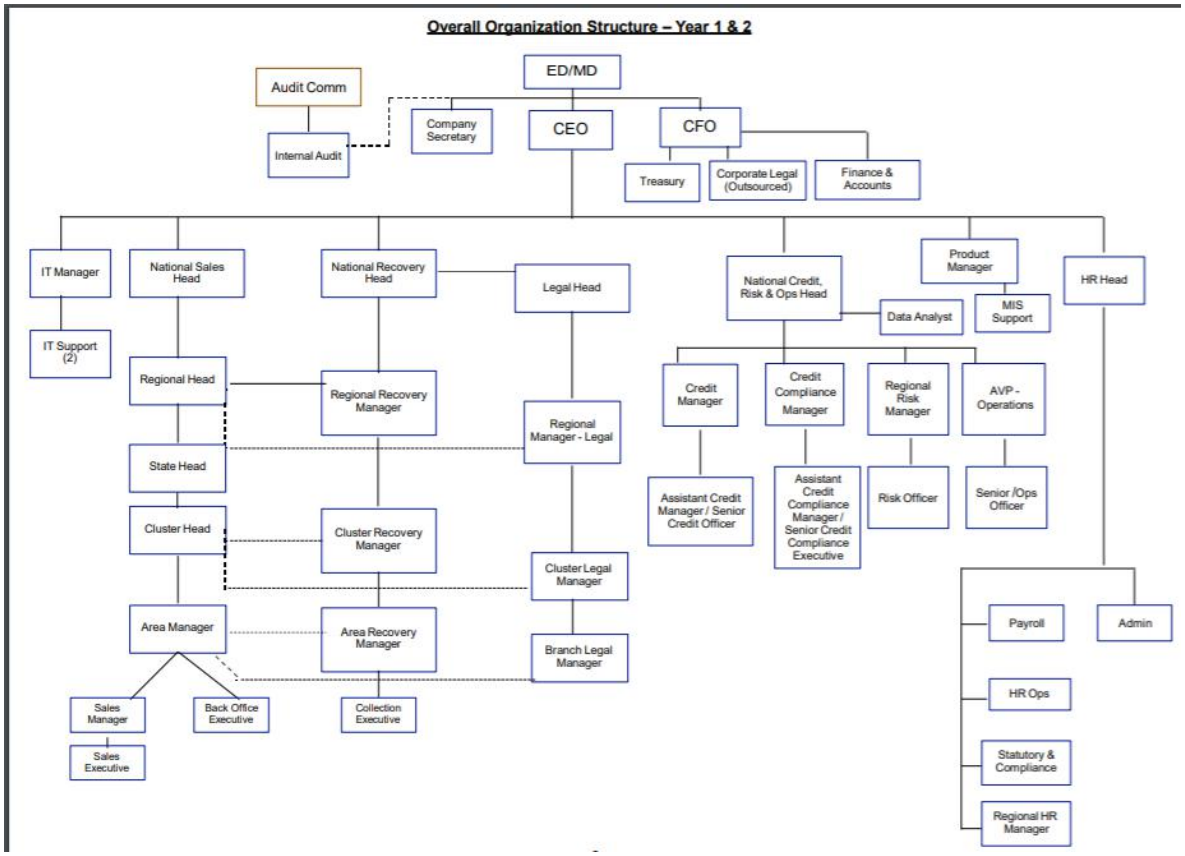
31	Office	Andhra Pradesh	Guntur	Kothamasu Plaza, 2nd Floor , Opp Kiran Tailor, 3/1 Arundelpet, Guntur - 522002
32	Office	Gujarat	Himmatnagar	Shop No13-14, Sun Complex, Behind Navjeevan Hotel, Moti Pura Circle , Himmat Nagar - 383001
33	Office	Karnataka	Hubli	1st Floor Center Point, Opp Sanjeevani Press, New Cotton Market
34	Office / Corporate Office	Telangana	Hyderabad	6-3-902/A, Near Yashoda Hospital, Somajiguda - 500082
35	Office	Madhya Pradesh	Indore	511,Plot no.7 ,P.U scheme No.54,shagun tower 5th floor,vijay Nagar, Indore(MP)
36	Office	Madhya Pradesh	Jabalpur	290C, opp Spandhan Hospital, near Bhawaltal Park, Naiper Town, Jabalpur- 482001
37	Office	Rajasthan	Jaipur	F2-A,Jagdamba Tower, Amprapali Circle, Vaishali Nagar, Jaipur-302021
38	Office	Maharashtra	Jalagoan	Shop No.43/44, Suresh Dada Jain Shopping Complex, Ajnta Road, Near Ajanra Square, In Front Aurangabad Road, Jalgoan - 425001
39	Office	Gujarat	Junagadh	Indralok Arcade ,1st floor,office No-110 & 111 ,Jayshree cinema Road , Near Talav darwaja,Junagadh-362001
40	Office	Andhra Pradesh	Kakinada	13-1-51, 1st Floor, Opp Hero Honda Show Room, Surya Peta Main Road, Kakinada-533001.
41	Office	Tamil Nadu	Karaikudi	No: 3/1026 H, CMD Tower, Old Housing Board Bustop, Near Kalanivasl, Tirchy Bypass Raod, Sivagangai, Karaikudi - 630001
42	Office	Telangana	Karimnagar	H.No. 8-6-411, Kothirampur, Karimnagar
43	Office	Telangana	Khammam	D No:11-10-860/5, 1st Floor Beside Apgvb Bank, Raparthi Nagar By Pass Road, Khammam-507001.
44	Office	Telangana	Kodada	Door No 12-143/5/4, 1st Floor, Sri Sai Towers, Beside Oriental Insurance Near Petrol Bunk, Srinivasa Nagar,
45	Office	Rajasthan	Kota	1st floor,Manak Bhavan ,Kotri Road,Kota -302007
46	Office	Tamil Nadu	Krishnagiri	1/341f, Pathirikhan Nagar, Avin Dairy Circle Chennai Bye Pass,

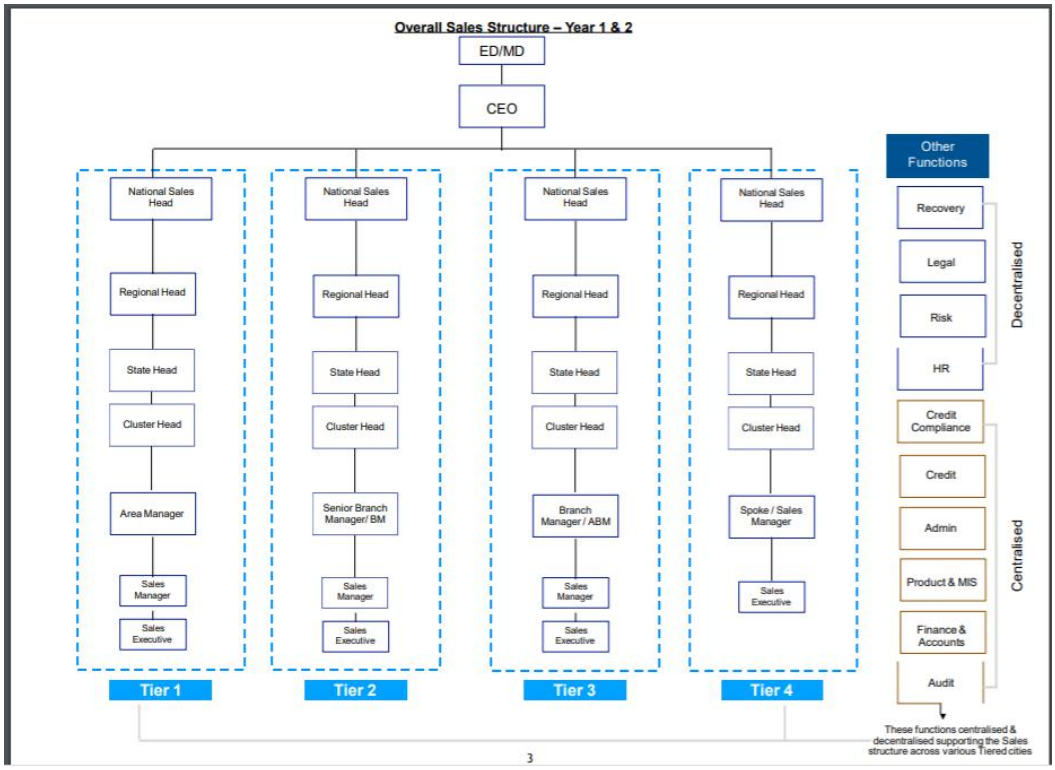
				Krishnagiri - 635001
47	Office	Andhra Pradesh	Kurnool	Plot No:212, 2nd Floor, Ragamayuri Pride, backside D-MART, Shopping Complex, Bellary Chowrastha, Kurnool-518003.
48	Office	Telangana	LB Nagar	H.NO.5-5-934/1 , Agamaiah Nagar, Chinthalkunta, LB Nagar.
49	Office	Tamil Nadu	Madhurai	D No: 94/15A, 3rd Floor, Raja Muthaiah Nagar, 70 Ft Road, Ellish Nagar, Byepass Road, MADURAI - 625010
50	Office	Telangana	Mahaboob Nagar	Opp SBH Bank Padmavathi Colony Mahaboob Nagar-509001
51	Office	Gujarat	Mehsana	Shop No. 17, 1st Floor, Shanskrut Shopping Mall, Highway Road, Mehsana
52	Office	Telangana	Miriyalguda	18-1814 Sai Temple Street 2nd Floor, Hunuman Peta Miriyalaguda, Nalgonda 207
53	Office	Gujarat	Morbi	Uttire (Shop T-14), Laxmi Plaza, Nr Shubh Hotel, Savala Road
54	Office	Karnataka	Mysore	#40 , 1st floor , 3rd stage, D. Devaraj Urs Road , Next to Anjaneya Temple Mysore-570001
55	Office	Maharashtra	Nagpur	H.No. 291/Ff/4, First Floor, Madhu Madhav Tower, Laxmi Bhawan Square (Milton Square), Dharampet Nagpur - 440010
56	Office	Andhra Pradesh	Nandyal	D No 25-759, 2nd Floor, Shop No 62, Srinivasa Market Complex, Srinivas Nagar, Nandyal, Kurnool (Dist) - 518501
57	Office	Maharashtra	Nashik	Address - 02, Sharada Niketan, GSK Avenue, Tilak Wadi, Sharanpur Road, Nasik, 422002
58	Office	Andhra Pradesh	Nellore	D No: 25/2/838, Srivari Complex, Shop no 3, 1st Floor, Savitri Nagar, Opp Nippo Saibaba Temple, Vedaya Palem, NELLORE - 524004.
59	Office	Telangana	Nizamabad	H.No:3-3-276, Beside Sri Chaitanya School Padma Nagar Nizamabad - 503001
60	Office	Andhra Pradesh	Ongole	Gupthas Square, ATF - 7, 3rd Floor, 60 Feet Road
61	Office	Gujarat	Palanpur	D/5,Second Floor, Above

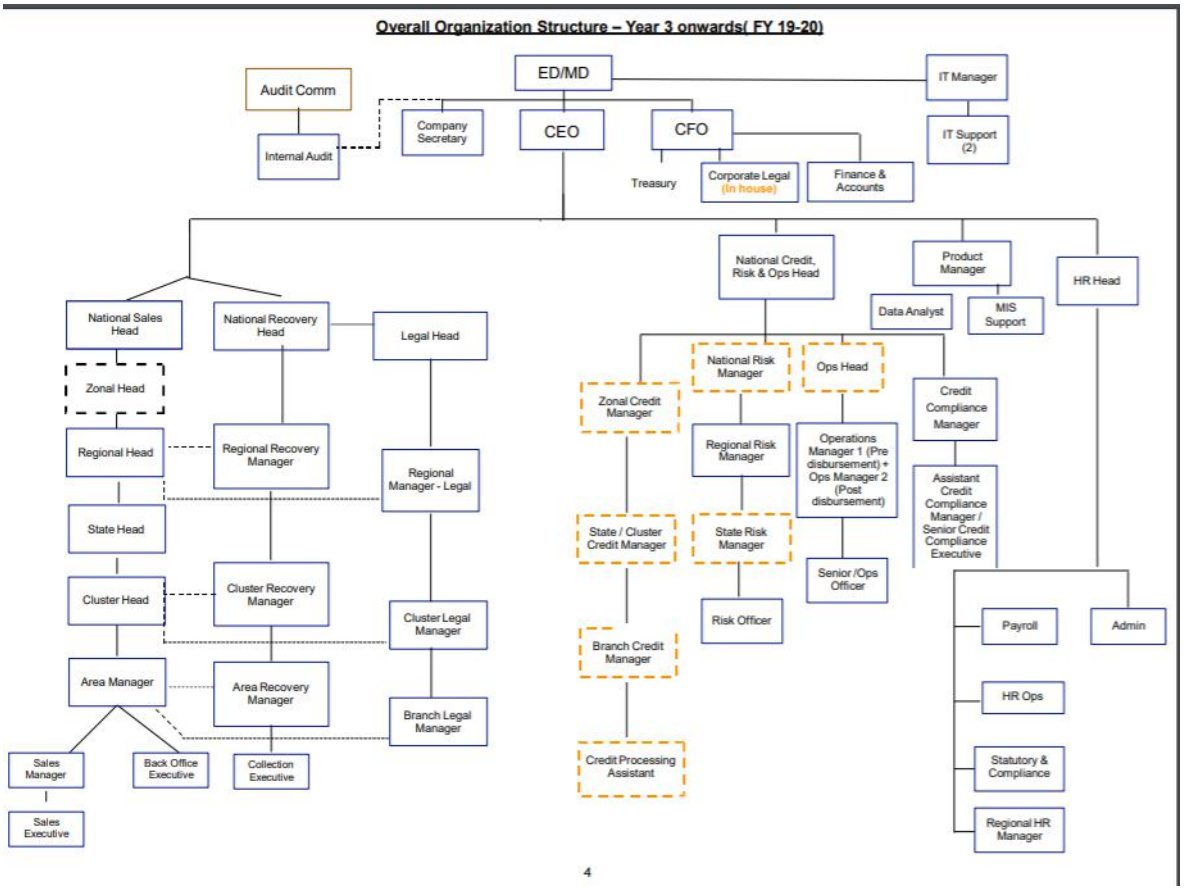
				Punjab National Bank, Sanskruti Complex, Abu Highway Palanpur-385001
62	Office	Tamilnadu	Perambaluru	No-185/10A, First floor, Sellammal Narayanan Complex, Aviayar street, Ariyalur Main Road, Near Chennai four way, Perambalur - 621212
63	Office	Puducherry	Pondicherry	No 1, Goubart Street, 1st Floor, Eastern Side, Kamraj Nagar
64	Office	Andhra Pradesh	Proddutur	14/66, 1st Floor, Anwar Talkies, Mydukuru Road, Proddutur
65	Office	Maharashtra	Pune	Pentagon Office No: 409 4th Floor, Behind Lotus Court above Axis Bank Pune Satara Road Pune-411043
66	Office	Andhra Pradesh	Rajahmundry	79-2-4/3, 3rd Floor, Gayathri Bhavan, Beside SBH, Tilak Road, New V L Puram
67	Office	Gujarat	Rajkot	Office No-308,3rd Floor, Sudarshan Commercial Center, Cinema Chowk
68	Office	Madhya Pradesh	Ratlam	Reliable Trade centre, Cabin no : 208, 2nd Floor, Station Road, Above Corporation bank Ratlam - 457001
69	Office	Tamil Nadu	Redhills	No: 2/370 - H, Sri Chinnamman Complex, Bypass Road, Near Vadakarai Junction Signal, Red Hills - 600052.
70	Office	Tamil Nadu	Salem	No:- 389, 2nd Floor, Ram Bazar Street, Muyanru, 5Roads, SALEM - 636004
71	Office	Maharashtra	Satara	S.No.509/B/1/2, Office No 2, Ground Floor, Generation Building Shaha Complex , Sadar Bazar, Satara 415002
72	Office	Madhya Pradesh	Sehore	1st Floor, Near Honda Showroom, Shekda, Khedi road, Sehore, Madhya Pradesh - 466001
73	Office	Telangana State	Siddipet	Plot no 2/4, Sy no 176, Mythrivanam, Hyderabad Road, Siddipeta - 502103
74	Office	Gujarat	Surat	3rd Floor, Shree Kuberji Complex, Athugar Street, Near Nanpura Post Office, Nanpura, Surat
75	Office	Gujarat	Surendra Nagar	245, 2nd Floor, Mega Mall, Near Milan Cinema, Station Road, Surendranagar
76	Office	Andhra Pradesh	Tadipatri	13/203, 1st floor, CB Road,

				Tadipatri,
77	Office	Tamil Nadu	Tanjavur	1st floor ,sri Balaji Complex Medical college Road Opp - Balaji Nagar ,Thanjavur-613007
78	Office	Maharashtra	Thane	Office no.A-402,4th floor,Glacia Co-op,Hsg.Soc.ltd,Village Thane,Edulaji Road,Charai,Thane - 400601
79	Office	Tamil Nadu	Tirunelveli	Vavoo Center, 1/A Shop No 3, Madhurai Road, Opp Kidney Center Land
80	Office	Andhra Pradesh	Tirupathi	D No 20-11-15 1st Floor, Upstairs, Opp; Maruthi Suzuki Car Showroom, Renigunta Road,
81	Office	Tamil Nadu	Trichy	D No 60, Room No -2, 3rd Floor, Sri Krishna Arcade, Tennur Trichy - 620017
82	Office	Karnataka	Tumkur	Chamundi Complex, K.R.Extn, Barline Road, Near Chamundeshwari Temple, Tumakuru – 572102
83	Office	Rajasthan	Udaipur	76 ,Indraprasth complex ,Shastri circle,udaipur- 313001
84	Office	Madhya Pradesh	Ujjain	1/2,kamla Nehru Marg,1st floor,Shaheed Park,Freeganj,Ujjain(mp)
85	Office	Gujarat	Vadodara	#110, 1st Floor, Siddarth Complex, RC Dutt Road, Alkapuri, Vadodara
86	Office	Gujarat	Vapi	1st Floor ,C-107, M Cube Business Hub, Nr.Bombay Restaurant NH-8,
87	Office	Tamil Nadu	Vellore	D.No. 160, Pudukudian Sathiram, Thottappalayam
88	Office	Gujarat	Veraval	Office No-18, 2nd Floor, Vinayak Plaza-1, Nr.Hdfc Bank, Rajendra Bhavan Road
89	Office / Head Office	Andhra Pradesh	Vijayawada	40-1-144, Corporate Center, Mg Road
90	Office	Andhra Pradesh	Visakhapatnam	D.No ;- 10-1-21a SF-1,Vinayagar Krishna Building, Asilmetta , Siripuram, Landmark-Beside Kfc
91	Office	Telangana	Warangal	Door No 23-6-215/7/1, Hunter Road, Hanama Konda, Warangal-506001

(b) **Corporate Structure of the Issuer:**


Overall Organization Structure – Year 1 & 2
ED/MD
Audit Comm
Internal Audit
Company Secretary
CEO
CFO
Treasury
Corporate Legal (Outsourced)
Finance & Accounts
IT Manager
IT Support (2)
National Sales Head
Regional Head
State Head
Cluster Head
Area Manager
Sales Manager
Sales Executive
Back Office Executive
National Recovery Head
Regional Recovery Manager
Cluster Recovery Manager
Area Recovery Manager
Collection Executive
Legal Head
Regional Manager - Legal
Cluster Legal Manager
Branch Legal Manager
National Credit, Risk & Ops Head
Data Analyst
Product Manager
MIS Support
HR Head
Credit Manager
Credit Compliance Manager
Regional Risk Manager
AVP - Operations
Assistant Credit Manager / Senior Credit Officer
Assistant Credit Compliance Manager / Senior Credit Compliance Executive
Risk Officer
Senior /Ops Officer
Payroll
Admin
HR Ops
Statutory & Compliance
Regional HR Manager


Overall Sales Structure – Year 1 & 2
ED/MD
CEO
National Sales Head
Regional Head
State Head
Cluster Head
Area Manager
Sales Manager
Sales Executive
Senior Branch Manager/ BM
Branch Manager / ABM
Spoke / Sales Manager
Tier 1
Tier 2
Tier 3
Tier 4
Other Functions
Recovery
Legal
Risk
HR
Decentralised
Credit Compliance
Credit
Admin
Product & MIS
Finance & Accounts
Audit
Centralised
These functions centralised & decentralised supporting the Sales structure across various Tiered cities
3



(i) **Board of Directors:**

Board of Directors			
Name	**Designation**	**Permanent Account Number**	**Experience**
Shri.V.G.K.Prasad	*Managing Director*	ACKPV7061N	Veteran in Vehicle Finance business in the state of Andhra Pradesh with Three decades of rich experience in the field of Finance and Management. Before promoting M/s. IKF Finance Limited, he was associated with various Finance firms as Managing Partner. He served as President of Krishna District Auto Financiers Association and also served as the Member of the Governing Council, Vice President, Secretary General and President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing NBFCs.
Smt.V.Indira Devi	Whole Time Director	ABXPV8272D	Associated with several automobile finance Firms as partner for the past 25 years and has gained in depth knowledge in the automobile finance business
Smt. K Vasumathi Devi	Executive Director	AXEPK4252F	BE (Electronics & Communications), MBA (Global Management) (USA) is having around a decade experience in IT and Telecommunications in USA and has been associated with the Company for the last eight years.

Board of Directors			
Name	**Designation**	**Permanent Account Number**	**Experience**
Dr. Sinha S. Chunduri	*N.R.I. Director*	AINPC5966E	Specialist in Diagnostic Gastro Entrology, engaged in medical Profession for last 25 years in U.S.A., is an NRI Director of the Company. Besides medical profession, he is associated with several Medical Institutions as consultant and Director in U.S.A. He is also holds Directorship in M/s. Amara Raja Power Systems (P) Limited, an associate concern of M/s. Amara Raja Batteries Limited.
Shri. S Veerabhadra Rao	Director	ABSPV3104D	Over three decades of experience in the field of asset backed lending. Promoted M/s. SVR Finance & Leasing (P) Limited and has been acting as Managing Director of the company since then.
Shri. K Satyanarayana Prasad	Independent Director	ADOPK9557F	B.E.,(Civil) MIGS, is having 27 years of enormous experience in the field of Civil Engineering and Administration
Vupputuri Vasantha Lakshmi, Alternate Director to Sri Sinha S Chunduri	Alternate Director to Satyanand Sinha Chunduri	AGEPV4163B	Mrs. Vasantha Lakshmi has completed her B Pharmacy. She has over 10 year of experience in fund management, investment banking, credit rating and corporate development.
Vinit Mukesh Mehta	Nominee Director	AAFPM7769P	Mr.Vineet Mukesh Mehta, a Chartered Accountant is having over 15 years of experience in investment banking (Kotak, KPMG), private equity and Corporate Banking (HDFC Bank). Prior to joining MOPE, Vinit was with Kotak Investment Bank where he led and executed 40+ transaction and successfully helped raise more than USD 25 bn across M&A, Private Equity and Capital Market fund raises. Vinit holds a Bachelor's Degree in Commerce from the Mumbai University and is a member of the Institute of Chartered Accountants of India.

(c) **Project cost and means of financing, in case of funding of new projects:**

NIL

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

Consolidated Basis

Particulars	March 31, 2019	March 31, 2020	March 31, 2021
Balance Sheet			
Net Fixed assets	6.56	6.63	5.79
Current assets	518.85	551.80	790.91
Non-Current assets	781.26	927.35	1017.61

Total Assets	**1306.67**	**1485.79**	**1814.30**
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	459.72	521.64	649.47
Financial (borrowings, trade payables, and other financial liabilities)	5.19	4.82	2.93
Provisions	1.25	2.11	2.76
Deferred tax liabilities (net)	0.00	0.00	1.17
Other non-current liabilities			
Current Liabilities (including maturities of long-term borrowings)	566.91	646.40	798.38
Financial (borrowings, trade payables, and other financial liabilities)	0.26	0.18	0.24
Provisions	0.25	0.20	0.27
Current tax liabilities (net)	0.88	0.39	0.72
Other current liabilities			
Equity (equity and other equity)	272.21	310.05	358.36
Total Equity and Liabilities	**1306.67**	**1485.79**	**1814.30**
Total revenue from operations	157.79	238.77	237.52
Other income	0.39	0.74	0.57
Total Expenses	133.24	191.40	184.86
Profit / loss before tax	24.94	48.11	53.23
Other comprehensive income	0.02	0.68	0.77
Total comprehensive income	**0.02**	**0.68**	**0.77**
Profit / loss after tax	18.75	35.81	38.02
Earnings per equity share:			
(a) basic;	3.95	7.13	7.54
(b) diluted	3.95	7.12	7.53
Continuing operations	-	-	-
Discontinued operations	-	-	-

Total Continuing and discontinued operations	-	-	-
Net cash generated from operating activities	(285.08)	(97.75)	(252.50)
Net cash generated from investing activities	(37.85)	(1.80)	(0.87)
Net cash generated from financing activities	300.85	114.25	365.81
Cash and Cash Equivalents	(22.08)	14.70	112.44
Balance as per statement of cash flows	17.6	32.3	144.74
Net worth	270.43	305.83	353.37
Cash and Cash Equivalents	17.60	32.30	144.74
Current Investments	-	-	-
Assets Under Management	1350.01	1524.35	1742.37
Off Balance Sheet Assets	109.39	102.28	115.83
Total Debts to Total assets	0.75	0.76	0.78
Debt Service Coverage Ratios	0.88	1.27	1.93
Interest Income	157.79	238.77	237.52
Interest Expense	82.72	125.34	128.66
Interest service coverage ratio	1.32	1.39	1.42
Provisioning & Write-offs	11.14	20.40	7.82
Bad debts to Account receivable ratio	0.01	0.00	0.00
Gross NPA (%)	3.57%	2.55%	2.74%
Net NPA (%)	2.58%	1.81%	1.99%
Tier I Capital Adequacy Ratio (%)*	19.32%	19.54%	21.50%
Tier II Capital Adequacy Ratio (%)*	1.55%	1.65%	2.17%

Standalone Basis

Particulars	March 31, 2019	March 31, 2020	March 31,

			2021
Balance Sheet			
Net Fixed assets	5.27	5.21	4.42
Current assets	509.54	538.23	755.88
Non-Current assets	702.97	841.94	864.75
Total Assets	**1217.78**	**1385.38**	**1625.05**
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	406.19	480.96	512.49
Financial (borrowings, trade payables, and other financial liabilities)	45.06	27.39	26.70
Provisions	0.00	0.00	0.00
Deferred tax liabilities (net)	0.00	0.00	0.00
Other non-current liabilities			
Current Liabilities (including maturities of long-term borrowings)	493.05	576.16	741.81
Financial (borrowings, trade payables, and other financial liabilities)	1.47	1.19	1.12
Provisions	1.39	2.08	2.76
Current tax liabilities (net)	0.88	0.00	0.27
Other current liabilities			
Equity (equity and other equity)	269.73	297.61	339.90
Total Equity and Liabilities	**1217.78**	**1385.38**	**1625.05**
Total revenue from operations	155.05	205.69	204.07
Other income	0.27	0.19	0.16
Total Expenses	130.77	167.95	160.03
Profit / loss before tax	24.55	37.94	44.20
Other comprehensive income	0.01	-0.04	0.10
Total comprehensive income	**0.01**	**-0.04**	**0.10**
Profit / loss after tax	18.17	27.70	32.01
Earnings per equity share:			
(a) basic;	3.83	5.52	6.35
(b) diluted	3.83	5.51	6.34

Continuing operations	-	-	-
Discontinued operations	-	-	-
Total Continuing and discontinued operations	-	-	-
Net cash generated from operating activities	(212.60)	(108.05)	(194.85)
Net cash generated from investing activities	(46.51)	(1.21)	(0.59)
Net cash generated from financing activities	242.16	120.39	288.51
Cash and Cash Equivalents	(16.95)	11.13	93.08
Balance as per statement of cash flows	13.73	24.86	117.93
Net worth	269.73	297.61	339.90
Cash and Cash Equivalents	13.73	24.86	117.93
Current Investments	-	-	-
Assets Under Management	1227.88	1315.15	1489.27
Off Balance Sheet Assets	222.60	172.09	123.35
Total Debts to Total assets	0.74	0.76	0.77
Debt Service Coverage Ratios	0.88	1.27	1.93
Interest Income	155.05	205.69	204.07
Interest Expense	84.88	115.52	116.09
Interest service coverage ratio	1.30	1.34	1.39
Provisioning & Write-offs	11.17	16.35	6.47
Bad debts to Account receivable ratio	0.24%	0.43%	0.77%
Gross NPA (%)	3.93%	2.69%	2.98%
Net NPA (%)	2.92%	1.97%	2.19%
Tier I Capital Adequacy Ratio (%)	19.32%	19.54%	21.50%
Tier II Capital Adequacy Ratio (%)	1.55%	1.65%	2.17%

5.7 Gross Debt: Equity Ratio of the Company (As of March 31, 2021)

Before the issue of debt securities	3.69
After the issue of debt securities	3.84

Calculations

Before the issue, debt-to-equity ratio is calculated as follows:

Debt	1254.31
Equity (Networth)	339.90
Debt/Equity	3.69

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows

Debt	1304.31
Equity	339.90
Debt/Equity	3.84

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

Nil

5.9 A brief history of Issuer since its incorporation giving details of its following activities:

(a) **Details of Share Capital as on last quarter end, i.e., June 30, 2021**:

Share Capital	Amount in Rs.
Authorised	
6,00,00,000 Equity shares of Rs.10 each	60,00,00,000
25,00,000 Preference shares of Rs.100 each	25,00,00,000
TOTAL	**85,00,00,000**
Issued, Subscribed and Fully Paid- up	
4,74,79,379 equity shares of Rs.10 each, fully paid	47,47,93,790
51,791688 equity shares of Rs.10 each, partly paid Rs. 8.10 per share	4,19,55,472.80
TOTAL	51,67,49,262.80

(b) **Changes in its capital structure as on last quarter end i.e., June 30,2021 for the last three years:**

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

(c) **Equity Share Capital History of the Company, for the last five years:**

Date of Allotment	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)	
31.03.2021	51,79,688 Partly paid up shares of Rs 8.10 paid up 2nd Call Money	10	72.59	10,15,18,259	Preferential Issue	5,26,59,067	51,67,49,262.80	99,92,89,377	-
31.03.2019	51,79,688 Partly paid up shares of Rs 5.40 paid up 1st Call Money	10	72.59	10,15,18,259	Preferential Issue	5,26,59,067	50,27,64,106	91,17,56,276	-
22.01.2019	12,22,278	10	128	15,64,51,584	Preferential Issue	5,26,59,067	48,87,78,948	82,42,23,175	-
18.01.2019	7,30,847	10	128	9,35,48,416	Preferential Issue	5,14,36,789	47,65,56,168	67,99,94,371	-
17.01.2018	51,79,688 (Application Money)	10	72.59	10,15,18,259	Preferential Issue	5,07,05,942	46,92,47,698	59,37,54,425	-
06/05/2015	80,13,375	10	31	24,84,14,625	Rights Issue	4,55,26,254	45,52,62,540	50,62,21,324	-
30/09/2013	30,00,000	10	13	3,90,00,000	Preferential Issue	3,21,00,000	32,10,00,000	9,00,07,0000	-
18/03/2013	36,60,000	10	13.25	4,84,95,000	Preferential Issue	2,91,00,000	29,10,00,000	7,77,57,000	-

16/08/2012	68,50,000	10	13	8,90,50,000	Preferential Issue	254,40,000	25,44,00,000	6,58,63,000	-
21/03/2012	63,60,000	10	13	8,26,80,000	Preferential Issue	1,85,90,000	18,59,00,000	4,53,13,000	-

5.10 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year.

5.11 Details of any Reorganization or Reconstruction in the last 1 (one) year:

NIL

5.12 Details of the shareholding of the Company as on the latest quarter end, i.e., June 30, 2021:

(a) **Shareholding pattern of the Company as on last quarter end, i.e. June 30, 2021**

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Total (%) of Shareholding	Number of shares held in Demat Form
1.	Gopala Kishan Prasad Vupputuri	1,58,78,116	33.44%	1,53,51,246
2.	India Business Excellence-11a	1,30,51,546	27.49%	1,30,51,546
3.	IL and FS Trust Co Ltd (Trustee of Business Excellence Trust 11 - India Business Excellence Fund 11)	78,04,018	16.44%	78,04,018
4.	Koganti Vasumathi Devi	21,31,286	4.49%	21,31,286
5.	Vupputuri Vasantha Lakshmi	20,06,117	4.23%	20,06,117
6.	Durga Rani Chunduri	14,94,100	3.15%	14,94,100
7.	Vupputuri Raghu Ram	14,49,700	3.05%	14,49,700
8.	Vupputuri Indira Devi	13,26,902	2.79%	13,26,902
9.	Amit Bhutra	3,05,684	0.64%	3,05,684
10.	Vupputuri Venkata Rao	2,42,335	0.51%	2,42,335
11.	Others	17,89,555	3.79%	17,35,783
	Total Equity Shares	**4,74,79,379**	**100%**	**4,68,98,717**

Partly Paid Up shares (Rs.8.10 per share)

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Total (%) of Shareholding	Number of shares held in Demat Form

1.	Gopala Kishan Prasad Vupputuri	35,05,821	67.68%	Nil
2.	Koganti Vasumathi Devi	5,15,980	9.97%	Nil
3.	Vupputuri Vasantha Lakshmi	4,85,677	9.38%	Nil
4.	Vupputuri Raghu Ram	3,50,940	6.77%	Nil
5.	Vupputuri Indira Devi	3,21,240	620%	Nil
	Total Equity Shares	**51,79,688**	**100.00%**	**Nil**

Notes: Details of shares pledged or encumbered by the promoters (if any): None

CLID	Name	Holding	Status	Pledged
'1203810000103587	Chunduri Sinha Satyanand	117700	Foreign Promoters – Non-Resident Indians	0.00
'1203810000103591	Durga Rani Chunduri	1494100	Foreign Promoters – Non-Resident Indians	0.00
'IN30061010393705	Vupputuri Gopala Kishan Prasad	2592442	Promoters Resident Indians	1,276, 186.00
'IN30061010393713	Vupputuri Indira Devi	1326902	Promoters Resident Indians	808,500.00
IN30102221500407	Koganti Vasumathi Devi	2131286	Promoters Resident Indians	0.00
IN30131321194147	Vupputuri Raghu Ram	1449700	Promoters Resident Indians	1,418,700.00
'IN30131321202401	Vupputuri Vasantha Lakshmi	2006117	Promoters Resident Indians	779,800.00
IN30286310372175	Gopala Kishan Prasad Vupputuri	12748288	Promoters Resident Indians	0.00

(b) **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. June 30, 2021:**

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Total (%) of Shareholding	Number of shares held in Demat Form
1.	Gopala Kishan Prasad Vupputuri	1,58,78,116	33.44%	1,53,51,246
2.	India Business Excellence-11a	1,30,51,546	27.49%	1,30,51,546
3.	IL and FS Trust Co Ltd (Trustee of Business Excellence Trust 11 - India Business Excellence Fund 11)	78,04,018	16.44%	78,04,018
4.	Koganti Vasumathi Devi	21,31,286	4.49%	21,31,286
5.	Vupputuri Vasantha Lakshmi	20,06,117	4.23%	20,06,117

6.	Durga Rani Chunduri	14,94,100	3.15%	14,94,100
7.	Vupputuri Raghu Ram	14,49,700	3.05%	14,49,700
8.	Vupputuri Indira Devi	13,26,902	2.79%	13,26,902
9.	Amit Bhutra	3,05,684	0.64%	3,05,684
10.	Vupputuri Venkata Rao	2,42,335	0.51%	2,42,335
11.	Others	17,89,555	3.79%	17,35,783
	Total Equity Shares	**4,74,79,379**	**100%**	**4,68,98,717**

5.13 Following details regarding the directors of the Company*:

(a) **Details of the current directors of the Company:**

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

Name of the Directors	Age	Address	DIN	Director of the company since	Director in other company
Vinit Mukesh Mehta (Nominee Director)	37	501, Satguru Towers, Central Avenue, Santacruz West, Mumbai 400054	08792902	01-10-2020	Nil
Sunkara Veerabhadrarao *(Director)*	74	D.No.59-A-11-3/5, Plot No.48, 3Rd Cross Road K P Nagar, Vijayawada, Krishna 520008	01180981	30-12-2005	• S.V.R. Finance And Leasing Pvt Ltd • Brntech Private Limited • Grand Project LLP
Gopala Kishan Prasad Vupputuri *Managing Director)*	73	59A-16-4/8 Iii Rd Road Plot No 77 3Rd Cross Road Near Sai Baba Temple R.T.C. Colony Viyaya Wada Urban Polytechnic Krishna 520008	01817992	30-05-1991	• IKF Infratech Private Limited • IKF Home Finance Limited • GCG Technologies (India) Private Limited
Vasumathi Devi Koganti (*Wholetime Director)*	45	Villa 18 Aditya Fort Veiw Puppalaguda Pratibha High School Manikonda Puppalguda Puppalg Uda K V Ranga Reddy 500089	03161150	31-10-2006	• IKF Home Finance Limited

Name of the Directors	Age	Address	DIN	Director of the company since	Director in other company
Indira Devi Vupputuri (*Wholetime Director)*	60	59A-16-4/8 New R.T.C. Colony Patamata Vijayawada 520008	03161174	30-05-1991	• IKF Infratech Private Limited
Satyanarayana Prasad Kanaparti *(Director)*	69	8-3 - 318/11/32,33,34 Fno. 501, Jai Prakash Nagar Vishnu Nivas Ameerpet Hyderabad 500016	03598603	19-09-2011	• Hormigon Engineering And Infra Private Limited
Vasantha Lakshmi Vupputuri *(Alternate Director)*	44	Plot No 24 Aditya Fort Veiw Villas Shivalayam Road Near Prathibaha High School Manikonda P Uppalguda K V Ranga Reddy 500089	03610979	21-10-2015	• IKF Home Finance Limited • Dreamforce Mediaworks Private Limited
Satyanand Sinha Chunduri *(Director)*	75	40-1-144, Corporate Centre Mg Road Viajayawada 520010	03644504	10-02-1993	N.A.

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

(b) **Details of change in directors since last three years:**

Name	Designation	DIN	Dateof Appointment/ Resignation	Directorofthecompanysince(in caseof resignation)	Remarks
Vinit Mukesh Mehta	Nominee Director	08792902	01/10/2020	-	Appointment
Vishal Tulsyan	Nominee Director	00139754	01/10/2020	15/03/2019	Resigned
Vishal Kumar	Nominee Director	02368313	07/12/2018	03/11/2015	Resigned

Name	Designation	DIN	Dateof Appointment/ Resignation	Directorofthe Companysince(in caseof resignation)	Remarks
Gupta					
Vishal Tulsyan	Nominee Director	00139754	15/03/2019	-	Appointment
Ch.V.Rama Rao	Alternate Director	03161194	13.01.2017	21/10/2015	Resigned
Vupputuri Vasantha Lakshmi Vasantha Lakshmi	Alternate Director	03610979	21/10/2015	-	Appointment
PSV.Prasada Rao	Director	02204359	13.01.2017	19.09.2011	Resigned
Prasad J Athota	Director	03618655	13.01.2017	10.02.1993	Resigned
N Harinadh	Independent Director	03161 131	15/03/2019	23.01.1992	Resigned

5.14 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name of the Auditor	Address	Auditor since	Remark
M/S.S.R. Batliboi & Co. LLP.	12th Floor, The Ruby,29 Senapati Bapat Marg, Dadar (West), Mumbai – 400028	Re Appointed on 24/12/2020 for the FY 2020-21 to FY 2024-25	N.A.

(b) **Details of change in auditors since last three years: Nil**

5.15 Details of the following liabilities of the Company, as at the latest quarter end i.e. June 30, 2021:

(a) **Details of Secured Loan Facilities**:

(Rs. In Crores)

Lender Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Crore	Principal Amount Outstanding as on June 30, 2021 (Rs. Crore)	Repayment Date/Schedule	Security

					Primary Security (book debt hypothecation)	Percentage of Cash Collateral
Central Bank of India	Working Capital	95	92.74	NA	Hypothecated Receivables	10.43%
Indian Overseas Bank	Working Capital	52	48.52		Hypothecated Receivables	
IDBI Bank Limited	Working Capital	30	19.02		Hypothecated Receivables	
Andhra Bank	Working Capital	77	74.38		Hypothecated Receivables	
Punjab National Bank	Working Capital	18.2	17.10		Hypothecated Receivables	
Federal Bank Limited	Working Capital	15	14.16		Hypothecated Receivables	
HDFC Bank Limited	Working Capital	10	9.30		Hypothecated Receivables	
HDFC Bank Limited IV	Term Loans	25	4.34	Monthly	Hypothecated Receivables	Nil
State Bank of India	Term Loans	115	76.46	Quarterly	Hypothecated Receivables	Nil
Au Small Bank Limited	Term Loans	50	2.81	Monthly	Hypothecated Receivables	Nil
Andhra Bank TL-2	Term Loans	25	11.23	Quarterly	Hypothecated Receivables	Nil
Bank of India II	Term Loans	50	23.89	Quarterly	Hypothecated Receivables	Nil
Ujjivan Small Finance Bank	Term Loans	25	5.04	Quarterly	Hypothecated Receivables	Nil
Woori Bank	Term Loans	35	12.64	Monthly	Hypothecated Receivables	Nil
Induslnd Bank	Term Loans	10	5.67	Monthly	Hypothecated Receivables	Nil
Au Small Bank Limited – Il	Term Loans	15	6.25	Monthly	Hypothecated Receivables	Nil
Union Bank of India -II (PSL)	Term Loans	50	31.94	Quarterly	Hypothecated Receivables	Nil
Union Bank of India –II (NPSL)	Term Loans	25	15.73	Quarterly	Hypothecated Receivables	Nil
HDFC Bank Limited-V	Term Loans	35	24.53	Monthly	Hypothecated Receivables	Nil
Utkarsh Small Finance Bank	Term Loans	15	9.23	Monthly	Hypothecated Receivables	Nil
Ujjivan Small Finance Bank - II	Term Loans	30	5.42	Monthly	Hypothecated Receivables	Nil
Bank Of India -III	Term Loans	15	47.34	Quarterly	Hypothecated Receivables	Nil
DCB Bank Limited - WCDL	Term Loans	20	15.00	Quarterly	Hypothecated Receivables	Nil
Yes Bank - WCDL - 2	Term Loans	25	10.00	Half-Yearly	Hypothecated Receivables	Nil
Central Bank of India - TL	Term Loans	20	29.94	Quarterly	Hypothecated Receivables	Nil
Federal Bank TL	Term Loans	15	14.06	Monthly	Hypothecated Receivables	Nil
State bank of Maritius	Term Loans	685	18.33	Quarterly	Hypothecated Receivables	Nil
HDFC Bank Limited – VI	Term Loans	20	24.11	Monthly	Hypothecated Receivables	Nil

IDBI Term Loan	Term Loans	15	18.75	Quarterly	Hypothecated Receivables	Nil
HDFC Bank Limited – VII	Term Loans	40	15.00	Monthly	Hypothecated Receivables	Nil
Volkswagen Finance Pvt Ltd	Term Loans	20	11.76	Monthly	Hypothecated Receivables	Nil
Sundaram Finance Limited -7	Term Loans	15	7.06	Monthly	Hypothecated Receivables	Nil
Hinduja Finance P Limited-4	Term Loans	40	11.35	Monthly	Hypothecated Receivables	Nil
Manappuram Finance Limited	Term Loans	30	14.86	Monthly	Hypothecated Receivables	Nil
Nabkisan Finance Limited	Term Loans	20	13.33	Quarterly	Hypothecated Receivables	Nil
Maanaveeya Development & Finance Pvt Ltd	Term Loans	15	9.09	Monthly	Hypothecated Receivables	Nil
Hinduja Finance P) Limited-5	Term Loans	14.5	7.90	Monthly	Hypothecated Receivables	Nil
HDFC Bank - 2	Other Loans	0.53	0.13	Monthly	CAR	Nil
HDFC Bank - 4	Car Loans	0.21	0.08	Monthly	CAR	Nil
State Bank Of India	NCDs	50	50.00	Bullet	Hypothecated Receivables	Nil
Indian Overseas Bank	NCDs	30	30.00	Bullet	Hypothecated Receivables	Nil
Union Bank of India	NCDs	25	25.00	Bullet	Hypothecated Receivables	Nil
State Bank of India –II	NCDs	100	100.00	Bullet	Hypothecated Receivables	Nil
Bank of Baroda	NCDs	50	50.00	Quarterly	Hypothecated Receivables	Nil
TOTAL		**2067.44**	**1033.50**			

(b) **Details of Outstanding Unsecured Loan Facilities**:

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
Unifi AIF 2	NCDs	18	25.00	Quarterly
Unifi AIF 2	NCDs	15	60.00	Quarterly
Bank of Maharashtra	Tier II Term Loan	15	15.00	Bullet
Northern Arc Capital	Tier II NCDs	20	20.00	Bullet
Northern Arc Capital	Tier II NCDs	25	25.00	Bullet

(c) **Details of Outstanding Non-Convertible Securities**:

Debenture Series	Tenor	Coupon	Amount	Date of Allotment	Redemption Date	Credit Rating	Secured / Unsecured	Security
INE859C08046	36 months	12.158%	18	25-Jun-2019	24-Jun-2022	CARE A/Stable	Unsecured	NA
INE859C08053	36 months	12.068%	15	30-Jan-2020	30-Jan-2023	BWR A	Unsecured	N.A.

Debenture Series	Tenor	Coupon	Amount	Date of Allotment	Redemption Date	Credit Rating	Secured / Unsecured	Security
INE859C08061	66 months	14%	20	02-Mar-2020	02-Sep-2025	BWRA	Unsecured	N.A.
INE859C07063	36 months	10.25%	50	23-Jul-20	21-Apr-23	CARE A/Stable	Secured	Hypothecation of Receivables
INE859C07071	18 months	10.25%	30	20-Aug-20	20-Feb-22	CARE A/Stable	Secured	Hypothecation of Receivables
INE859C07089	18 months	10.25%	25	27-Aug-20	27-Feb-22	CARE A/Stable	Secured	Hypothecation of Receivables
INE859C07097	18 months	10.25%	100	18-Sep-20	18-Mar-22	CARE A/Stable	Secured	Hypothecation of Receivables
INE859C07105	18	9.20 %	50	31-12-2020	30-Jun - 2022	BWRA	Secured	Hypothecation of Receivables
NE859C08079	66	13.25%	25	19-Jan-2021	20-Jul-2026	CARE A	Unsecured	NA

5.16 List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Debenture Holder	Amount outstanding
1	***State Bank of India***	***100***
2	State Bank of India	50
3	***Bank of Baroda***	***50***
4	***Indian Overseas Bank***	***30***
5	Union Bank of India	25
6	IFMR Capital Finance Limited	25
7	IFMR Capital Finance Limited	20
8	Unifi AIF 2	18
9	Unifi AIF 2	15

5.17 Details of outstanding Commercial Paper as at the end of the last quarter:

NIL

5.18 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

NIL

5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not.

NIL

5.20 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (during the last three years) (whether public issue or private placement) by NBFC including details regarding the following

(a) **Lending Policy: Should contain overview of origination, risk management, monitoring and collections:**

Disbursement Process:

.

Target customers of the company are:

4. Driver cum Owners
5. First Time Buyers (FTBs) & First Time Users (FTUs)
6. Small fleet Operators (2-3 vehicles)

Feature	Description
Age limit of the borrower	18-65 years
Purpose of the loan	Purchase/refinance of commercial vehicle
LTV	Used: Upto New: Upto 85% for fully built vehicle
Loan Tenure	2 to 4 Years
Interest Rate	Used: 18 to New: 16 to
Service Charge	025 to 0.5% is the range (linked to IRR)
Legal and Technical verification charges	Actuals paid directly by customer
Repayment mode	PDC, ECS, Cash
Vehicle Insurance	Mandatory
Pre-closure charges	% of loan outstanding

Processes
Origination

Enquiry Generation		Field Investigation		FI Report Preparation		Collection of KYC and other documents	
Preparation of Credit Approval Memo		Approval by Credit Head		Disbursement		Post Disbursement formalities	

Sourcing of clients is done through direct and indirect marketing and distribution channels:

Direct Through Branches / Satellite Branches

1. Leads generated by the Marketing Team
2. Walk-in Customers
3. Existing Customers / Guarantors
4. References secured from existing Customers / Guarantors

Indirect — through external sources

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

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

After identifying a prospective borrower and before putting up the proposal for approval,

Marketing / Field Executive(s) verify/assess the borrower's repayment capacity and ability to pay in adverse situations. Analysis is also done to establish the credit worthiness of the Guarantor. First field investigation is done by the field executives which covers the following:

9. Physical verification of Residence/Place of business
10. Verification with address proofs
11. Verification with property and income proofs
12. Verification with previous track record or Bank statements etc.
13. Credibility of the borrower & Guarantor in the locality where they reside
14. Authentication of documents submitted for verification
15. Whether the borrower's requirements are in line with the Company's credit policy,

    (in terms of funding, rate of interest, tenure, vehicle make & model etc.)
16. Earning capacity of the vehicle, in terms of its viability, route of operation, segment/industry in which it operates and its prospects etc.

IKF focuses on clients who have formal contracts with contractors/ companies.

After going through the FI findings, the field executives with the help of back office operations staff put up the proposal for approval of Branch Manager. The Executive has to physically verify the vehicle before sending the proposal.

KYC information is shared with the HO credit team on mail so that internal de-dupe can be carried out and a CIBIL check is run. CIBIL check is done centrally.

On receiving proposal from Branch, the credit department scrutinizes the documents submitted by the borrower and Guarantor and verify their authenticity with the online data available on the Internet.

For example: PAN Card / Income Tax Returns with Income Tax website Driving License / Vehicle Details with RTA Website

6. Voter Card with Election Commission website
7. Property Tax Paid with Municipal / Corporation Website
8. Property Details with Registration / Revenue Dept Websites.
9. Bank Statements with respective Banks
10. Repayment track with other Financiers / Bankers

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

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

Field Investigation

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

Field investigation involves a physical verification of borrower's address, assessment of his socioeconomic condition, obtaining feedback from neighbors and local people and verification of the documents submitted. The FI agency is

also expected to check the contract letter, bank statement and vehicle viability.

External valuation of vehicle

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

Valuation report contains details of the vehicle including vehicle identification details, registration details, permit and tax details, insurance details, status of the RC book, condition of the vehicle and estimated market value of the customer.

Report is submitted along with 4(Front, back and one side, other side and chassis number) photographs of the vehicle and a tracing of the engine and chassis number.

Vehicle Finance Grid

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

4. Vehicle Grid Values
5. IDV as mentioned in Insurance Policy
6. Valuation given by the Certified Valuer / Surveyor

However it was observed that credit team approved valuation taking a lower of (i) and (ii). This is in line with the market practice, followed by other originators.

Vehicles financed by IKF include cars, construction equipment, HCV, LCV, SCV, MUV, Three Wheelers and tractors manufactured by:

ASHOK LEYLAND	JCB
Asia Motor Works	L & T
ATUL	MAHINDRA & MAHINDRA
BAJAJ	PIAGGIO
Caterpillar India Ltd	SWARAJ
CHEVROLET	TATA
EICHER	TOYOTA
ESCORTS	TVS
FORCE	HARVESTER

The company has been financing HCVs and LCVs. With the recent developments in economy, IKF has taken a call to go slow on funding HCVs. However they wouldn't want to exit the HCV finance market entirely, IKF has stopped financing HCVs in Karnataka and other states which have been affected by the mining ban. In the Hyderabad region the company is planning to finance a lot of three wheelers as new licenses will be issued by the state government after a long time. IKF also finances cars, construction equipment and agriculture equipment on a selective basis.

Preparation of Vehicle finance grid

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

5. Collection of data with regard to resale deals happening in the market in consultation with transport operators, consultants, brokers, mechanics etc. in respect of various vehicles, model wise
6. Collection of data with regard to valuation of various vehicles, model wise, from certified valuers / surveyors

7. Collection of data with regard to maximum and minimum vehicle values (IDVs) from various Insurers
8. Collection of Vehicle grid values of various NBFCs

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

Sanctioning Authority for Approval

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

Disbursements

All disbursements are through cheques. An invoice is issued immediately after disbursement. Ideally the disbursement is done only after endorsement of the hypothecation in the RC book of the vehicle. However to maintain the TAT to remain competitive in the market, all documents required for the endorsement of hypothecation are collected and loan is disbursed.

Endorsement of hypothecation

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

Collection and Recovery Mechanism

Collection mechanism is well defined. The collection team includes branch back office staff , tele calling recovery executives, recovery executive at the branch and the recovery manager and the Collection Head.
Every recovery team member is assigned cases as per the below matrix and is answerable if any account crosses the stipulated DPD / Bucket.

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

All the Accounts are assigned to the recovery executives based on their geographical operational area.

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

Repossession Policy

IKF has a well-defined repossession policy which includes details on when vehicles can be repossessed, the responsibility matrix and along with the mechanism for sale of vehicles post repossession.

Responsibility for implementing repossession related activities rests with the Branch Recovery Manager / Team Leader. If any branch doesn't have a recovery manager, the repossession activities are conducted by the Branch Manager. As per the policy, any employee / agent of the company and / or company's empanelled repossession agency can repossess the vehicle subject to the company's guidelines.

Vehicles are repossessed in following conditions:

1. Non-starter cases: Failed to remit the 1st instalment for a continuous period of 30 days from the due date. (Eg. 0, l , 2)
2. Account crosses 90+ DPD
3. The borrower has patted with the possession of the vehicle with any one or where the vehicle is in the possession of anyone other than the borrower
4. The borrower fails to register his vehicle with the RTA even after 30 days from the date of delivery of vehicle (in case of new vehicles)
5. The borrower plies the vehicle in contravention of any statutory rules / regulations
6. The borrower fails to take an insurance cover for the Vehicle

Cash and Cheque management

Cash collected at the branch is deposited in the bank either on the same day or on the next working day. The branch manager decides the person who will deposit the money into the bank. (Individual staff also deposits the money).

IKF does not have any cover for cash in transit and at the branches and doesn't have any fidelity insurance.
Each branch has a safe to store cash, the keys are with Branch manager. There is no limit on the amount that can be kept in the branch; it is ensured that all money collected is deposited in to the bank account as soon as possible.
A Daily Cash Reconciliation report along with receipts is sent to the HO. The non-cash collection is through the Post-dated cheques (PDCs). Cheque management system is centralized and operated from Hyderabad.

Systems

The IT department at IKF is a 2 member team. The team is based at the HO and takes care of hardware and software related requirements of the company.

IKF uses Jaguar NBFC software, a comprehensive application for NBFCs. The software has been made by a Jalandhar (Punjab) based company named Jaguar Software Solutions. The software is available in various versions. IKF uses the web based enterprise version of the software. It has Microsoft asp.net at the front end and database is maintained in MS SQL server. The web based version enables access to reports on a real time basis.

All branches are have at least one computer and an internet connection. All data entry is done by the operations team at the HO. The entry of receipts is done by the branch staff. Upon collection of repayment the branch staffs issue a receipt. This receipt has 3 copies — original is given to the customer, one copy remains at the branch and one copy is sent by courier to the HO. It was observed that the receipt number in the computer and that on the already printed receipt were different.

The system allows for differential access; each branch has a different id and password, and is able to view details for his area of operations (as defined by the administrator). Log trail of data entry is maintained.

Only IT team after an approval of ED or the MD is allowed to make entry for back dates or for editing of data already entered

The software has integrated module to maintain Accounts and Operations. The software is able to generate correct ageing reports at any point of time. It allows for conducting a de dupe based on multiple parameters and for tagging of loans to different funders.

Servers are maintained at the Hyderabad and Vijayawada where automatic back of data is taken for every night. No other data backup mechanism.

OUTSTANDING LITIGATION

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

(b) **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:**

Please refer to Chapter (C) of Section 10 of this Placement Memorandum.

(c) **Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer to paragraph (J) of this table below.

(d) **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Sr. No.	Name of the Borrower	Status of Account	Amount Outstanding (in Cr)
1	Aruna Finance Limited	Standard	7.92
2	Namdev Finvest Private Limited	Standard	7.79
3	A P State Govt Employees Mac Hb Society Ltd	Standard	7.71
4	A.Srinivasa Reddy	Standard	7.33
5	Berar Finance Limited	Standard	6.40
6	Orange Retail Finance India Private Limited	Standard	6.35
7	Kapulapalli Adi Reddy	Sub-Standard	5.46
8	Laxmi India Finleasecap Pvt Ltd	Standard	5.64
9	Key Stone Infra Pvt Ltd	Standard	4.94
10	Maps Enzymes Limited	Standard	4.56
11	Usha Cardiac Centre Limited	Standard	4.41
12	Madhava Rao Siddabaktula	Standard	4.30
13	Mahaveer Finance India Limited	Standard	4.31
14	Sai Point Finance Corporation Limited	Standard	4.31
15	Noble Partners Infra Llp	Standard	4.24
16	Cherukuri Krishna	Standard	4.12
17	J. Madhuri	Standard	4.14
18	Vijaya Chandra Babu Yeluri	Standard	3.98
19	Srinivasu Katta	Standard	3.89
20	Sri Rajaram Constructions	Standard	4.07
	Total		**105.85**

(e) **Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**

Please refer to paragraph (K) of this table below.

B. Details of borrowings made by NBFC

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

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

(b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

In Cr

Particulars	FY 2018-19	FY2019-20	FY2020-21
	Audited	Audited	Audited
Movement of Gross NPA			
Opening	40.08	44.01	34.91
Additions during the year	19.68	12.98	28.00
Reduction during the year	15.75	22.09	20.14
Closing	44.01	34.91	42.76
Movement of Net NPA			
Opening	30.48	31.96	24.86
(Deletion)/Addition during the year	1.48	-7.10	5.82
Closing	31.96	24.86	30.68
ECL Provisions (Stage 3 provisions)	12.05	10.05	12.08

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

Please refer to sub-paragraph (a) of paragraph (J) in this table below.

C. Details of change in shareholding

Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI: NIL

D. Disclosure of Assets under management

Segment wise breakup: Please refer to sub-paragraph (c) of paragraph (J) in this table below.

Type of Loans: Please refer to sub-paragraph (a) of paragraph (J) in this table below.

E. Details of borrowers

Geographical location wise: Please refer to sub-paragraph (e) of paragraph (J) in this table below.

F. Details of Gross NPA

Segment wise: Please refer to sub-paragraph (c) of paragraph (K) in this table below.

G. Details of Assets and Liabilities

Residual maturity profile wise into several bucket: Please refer to paragraph (L) in this table below.

H. Additional details of loans made by housing finance company:

Given that the Issuer is not a housing finance company, this is not applicable.

I. Disclosure of latest ALM statements to RBI

Asset & liability management statement:

Amount in Cr

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over 1 Month To 2 Months	Over 2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	Over 3 Years To 5 Years	Over 5 Years	Total Amount
OUTFLOWS											
1) Capital											
1A) Equity And Perpetual Preference Shares	-	-	-	-	-	-	-	-	-	51.67	**51.67**
1B) Non-Perpetual Preference Shares	-	-	-	-	-	-	-	-	-		**0.00**
2) Reserves	-	-	-	-	-	-	-	-	-	296.77	**296.77**
3) Gifts, Grants, Donations & benefactions											**0.00**
4) Notes, Bonds											**0.00**
4A) Plain Vanilla Bonds/Debentures	-	-	-	-	-	-	-	-	-	-	**0.00**
4B) Bonds/Debentures With Embedded Options/subordinated debt/Senior debt	0.22	-	0.16	-	-	-	-	15.00	20.00	24.53	**59.91**
4C) Fixed Rate Notes	-	-	-	-	-	-	-	-	-	-	**0.00**
5) Deposits											**0.00**
5A) Term Deposits From Public	-	-	-	-	-	-	-	-	-	-	**0.00**
5B) ICD's	-	-	-	-	-	-	-	-	-	-	**0.00**
5C) CD's	-	-	-	-	-	-	-	-	-	-	**0.00**
6) Borrowings											**0.00**
6A) Term loans including Vehicle Loan	4.99	0.47	17.24	16.78	33.30	57.24	102.13	234.67	57.61	-3.05	**521.40**
6B) From Rbi, Govt.	-	-	-	-	-	-	-	-	-	-	**0.00**
6C) Cash credits, Working capital demand loans ,Commercial Papers & others	-	-	-	-	-	-	305.58	-	-	-	**305.58**
6D) Non-covertible debentures	-	-	1.01	2.52	8.74	27.75	185.50	53.75	-	-0.35	**278.91**
7) Current Liabilities & Provisions											**0.00**

7A) Sundry Creditors	-	-	-	-	-	-	-	-	-	-	**0.00**
7B) Expense Payable	-	0.96	-	-	-	-	-	2.97	-	-	**3.93**
7C) Advance Income Received	-	-	-	-	-	-	-	-	-	-	**0.00**
7D) Interest Payable On Borrowings	-	-	-	-	-	-	-	-	-	-	**0.00**
7E) Provisions	-	-	-	-	-	-	-	32.43	-	-	**32.43**
7F) Other liabilities	-	-	22.27	0.17	-	-	1.89	4.70	-	-	**29.03**
8) Contingent Liabilities											**0.00**
8A) Letters Of Credit/Guarantees	-	-	-	-	-	-	-	-	-	-	**0.00**
8B) Loan Commitments Pending Disbursal	-	-	-	-	-	-	-	-	-	-	**0.00**
8C) Lines Of Credit Commited To Other Institutions	-	-	-	-	-	-	-	-	-	-	**0.00**
8D) Outflows On Account Of Forward Exchange Contracts, Rupee/Dollar Swap and Bills Rediscounted	-	-	-	-	-	-	-	-	-	-	**0.00**
9) Others											**0.00**
9A) Branch Current Account	-	-	-	-	-	-	-	-	-	-	**0.00**
9B) SBI Current Account	-	-	-	-	-	-	-	-	-	-	**0.00**
OUTFLOW TOTAL (A) =>	**5.21**	**1.44**	**40.68**	**19.47**	**42.04**	**84.99**	**595.10**	**343.52**	**77.61**	**369.58**	**1579.63**
INFLOWS											
1) Cash	0.90	-	-	-	-	-	-	-	-	-	**0.90**
2) Remittance In Transit											**0.00**
3) Balance With Banks											**0.00**
3A) Current Account, Overdraft & Cash credit accounts	26.03	-	-	-	-	-	-	-	-	-	**26.03**
3B) Deposit/Short-Term Deposits	-	-	-	-	-	-	-	39.19	-	-	**39.19**
3C) Money At Call and short Notice	-	-	-	-	-	-	-	-	-	-	**0.00**
4) Investments(Net Of Provisions) Under Various Categories As Enumerated In Appendix-I											**0.00**
4A) Mandatory Investments	-	-	-	-	-	-	-	-	-	-	**0.00**
4B) Non Mandatory Listed	-	-	-	-	-	-	-	-	-	-	**0.00**
4C) Non Mandatory Unlisted Securities	-	-	-	-	-	-	-	-	-	-	**0.00**
4E) Venture Capital Units	-	-	-	-	-	-	-	-	-	-	**0.00**
4F) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.25	**45.25**
5) Advances(Performing)											**0.00**
5A) Bills Of Exchange And Promissory Notes Discounted and rediscounted	-	-	-	-	-	-	-	-	-	-	**0.00**
5B) Loan under asset finance activity	19.64	7.47	174.38	50.54	52.35	158.21	292.10	535.06	90.02	12.42	**1392.19**
5C) Corporate Loans/Short Term Loans	-	-	-	-	-	-	-	-	-	-	**0.00**

6) Non-Performing Loans	-	-	-	-	-	-	-	56.18	-	-	**56.18**
7) Inflows From Assets On Lease/Right to use assets	-	-	-	-	-	-	-	-	-	-	**0.00**
8) Fixed Assets(Excluding Assets On Lease)	-	-	-	-	-	-	-	-	-	4.35	**4.35**
9) Other Assets	-	-	-	-	-	-	-	-	-	-	**0.00**
9A) Intangible Assets & Other Non Cash-Flow Items	-	-	-	-	-	-	-	-	-	-	**0.00**
9B) Interest And Other Income Receivable	-	-	-	-	-	-	-	-	-	-	**0.00**
9C) Others	-	-	0.98	3.21	0.39	0.97	1.40	6.58	0.02	-	**13.54**
10) Lines Of Credit Committed By Other Institutions(Inflows)	-	-	-	-	-	-	-	-	-	-	**0.00**
11) Bills Rediscounted(Inflows)	-	-	-	-	-	-	-	-	-	-	**0.00**
12) Inflows On Account Of Forward Exchange Contracts, Dollar/Rupee Swap (Sell/Buy)	-	-	-	-	-	-	-	-	-	-	**0.00**
13) Others	-	-	-	-	-	-	1.99	-	-	-	**1.99**
13A) Repossessed stock	-	-	-	-	-	-	-	-	-	-	**0.00**
13B) Other advances	-	-	-	-	-	-	-	-	-	-	**0.00**
INFLOW TOTAL (B) =>	**46.57**	**7.47**	**175.36**	**53.75**	**52.74**	**159.18**	**295.49**	**637.01**	**90.04**	**62.03**	**1579.63**
C.MISMATCH (B-A)	**41.35**	**6.03**	**134.68**	**34.28**	**10.70**	**74.19**	**-299.60**	**293.50**	**12.43**	**-307.55**	**0.00**
D.CUMULATIVE MISMATCH	**41.35**	**47.39**	**182.07**	**216.34**	**227.04**	**301.23**	**1.63**	**295.13**	**307.55**	**0.00**	**0.00**

IKF team to update

Rs. in Cr

Category	**Up to 30 / 31 days**	**>1 months – 2 months**	**>2 months – 3 months**	**>3 months – 6 months**	**>6 months – 1 year**	**>1 years – 3 years**	**>3 years – 5 years**	**> 5 years**	**Total**
Deposit	-	-	-	-	-	-	-	-	0.00
Advances	201.48	50.54	52.35	158.21	292.10	591.24	90.02	12.42	1448.37
Cash & Cash Equivalent	26.93	-	-	-	-	-	-	-	26.93
Borrowings	5.21	0.47	18.41	19.30	42.04	84.99	593.21	303.42	1067.05
FCA*	-	-	-	-	-	-	-	-	0.00
FCL*	-	-	-	-	-	-	-	-	0.00

J. Classification of loans according to

(a) Type of Loans:

Details of types of loans

Sl. No.	Types of loans	Rs. Crore
1	Secured	1488.71

2	Unsecured	0.00
	Total assets under management (AUM)^^	**1488.71**

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^ Issuer is also required to disclose off balance sheet items;*

(b) Denomination of loans outstanding by loan-to-value:

Details of LTV

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 50%	6.64%
2	51%-60%	7.05%
3	61%-70%	50.79%
4	71%-80%	23.87%
5	81%-90%	10.58%
6	> 90%	1.08%
	Total	100%

(c) Sector Exposure

Details of sectoral exposure

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	82.70%
D	MFI	
E	MSME	17.30%
F	Capital market funding (loans against shares, margin funding)	
G	Student Higher Education Loan	
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Education Institution Loan	
	Total	100.00%

(d) Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	< 1 lakh	2.06%
2	1-2 Lakh	6.84%
3	2-3 Lakh	7.42%
4	3-4 Lakh	8.79%
5	4-5 Lakh	7.83%
6	5-6 Lakh	7.35%

7	6-7 Lakh	4.87%
8	7-8 Lakh	4.46%
9	8-9 Lakh	4.30%
10	9-10 Lakh	3.65%
11	10-15 Lakh	8.16%
12	15-20 Lakh	5.07%
13	20-25 Lakh	2.23%
14	25-35 Lakh	2.19%
15	35-50 Lakh	2.14%
16	50-75 Lakh	1.58%
17	75-1 Cr	2.18%
18	1-1.5 Cr	2.65%
19	1.5-2 Cr	1.01%
20	> 2 Cr	15.21%
	AUM	**100.00%**

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

(e) Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Andhra Pradesh	33%
2	Telangana	24%
3	Gujarat	15%
4	Tamilnadu	10%
5	Maharashtra	9%
	Total	**91%**

K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations

(a) Movement of Gross NPA

Movement of gross NPA*	Rs. Crore
Opening gross NPA	42.76
(Deletion)/Addition during the year	13.42
Closing balance of gross NPA	56.18

Movement of provisions for NPA	Rs. Crore
Opening balance	12.08
- Provisions made during the year	2.25
- Write-off/ write-back of excess provisions	
Closing balance	14.33

**Please indicate the gross NPA recognition policy (Day's Past Due)*

(b) Movement of provisions for NPA

Movement of provisions for NPA	Rs. Crore
Opening balance	12.08

- Provisions made during the year	2.25
- Write-off/ write-back of excess provisions	
Closing balance	14.33

(c) Segment wise gross NPA

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	3.82%
D	MFI	
E	MSME	4.13%
F	Capital market funding (loans against shares, margin funding)	
G	Student Higher Education Loan	
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Education Institution Loan	
	Total	3.88%

L. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities

Category	Up to 30 / 31 days	>1 months – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	> 5 years	Total
Deposit								0	0
Advances	201.48	50.54	52.35	158.21	292.10	591.24	90.02	12.4212.42	1448.37
Cash & Cash Equivalent	26.93							0	26.93
Borrowings	5.21	0.47	18.41	19.30	42.04	84.99	593.321	303.42	1067.05
FCA*								0	0
FCL*								0	0

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;*

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

NIL

5.22 Details of Promoters of the Company:

(a) **Details of Promoter Holding in Company as on latest quarter end, i.e. June 30, 2021:**

Name of shareholder	Total no of equity shares	No. of shares in demat form	Total shareholding as on % of total no of shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
Vupputuri Gopala Kishan Prasad	1,58,75,616	1,53,48,746	33.44%	12,76,186	8.04%
Vupputuri Indira Devi	13,26,902	13,26,902	2.79%	8,08,500	60.93%
Koganti Vasumathi Devi	21,31,286	21,31,286	4.49%	Nil	Nil
Vupputuri Raghu Ram	14,49,700	14,49,700	3.05%	14,18,700	97.86%
Vupputuri Vasantha Lakshmi	20,06,117	20,06,117	4.23%	7,79,800	38.87%
Durga Rani Chunduri	14,94,100	14,94,100	3.15%	Nil	Nil
Chunduri Sinha Satyanand	1,17,700	1,17,700	0.25%	Nil	Nil

5.23 A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable.

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Consolidated

Particulars	March 31, 2019	March 31, 2020	March 31, 2021
Balance Sheet			
Net Fixed assets	6.56	6.63	5.79
Current assets	518.85	551.80	790.91
Non-Current assets	781.26	927.35	1017.61
Total Assets	**1306.67**	**1485.79**	**1814.30**
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	459.72	521.64	649.47
Financial (borrowings, trade payables, and other financial liabilities)	5.19	4.82	2.93
Provisions	1.25	2.11	2.76
Deferred tax liabilities (net)	0.00	0.00	1.17
Other non-current liabilities			
Current Liabilities (including maturities of long-term borrowings)	566.91	646.40	798.38
Financial (borrowings, trade payables, and other financial liabilities)	0.26	0.18	0.24
Provisions	0.25	0.20	0.27
Current tax liabilities (net)	0.88	0.39	0.72
Other current liabilities			
Equity (equity and other equity)	272.21	310.05	358.36
Total Equity and Liabilities	**1306.67**	**1485.79**	**1814.30**
Total revenue from operations	157.79	238.77	237.52

Other income	0.39	0.74	0.57
Total Expenses	133.24	191.40	184.86
Profit / loss before tax	24.94	48.11	53.23
Other comprehensive income	0.02	0.68	0.77
Total comprehensive income	**0.02**	**0.68**	**0.77**
Profit / loss after tax	18.75	35.81	38.02
Earnings per equity share:			
(a) basic;	3.95	7.13	7.54
(b) diluted	3.95	7.12	7.53
Continuing operations	-	-	-
Discontinued operations	-	-	-
Total Continuing and discontinued operations	-	-	-
Net cash generated from operating activities	(285.08)	(97.75)	(252.50)
Net cash generated from investing activities	(37.85)	(1.80)	(0.87)
Net cash generated from financing activities	300.85	114.25	365.81
Cash and Cash Equivalents	(22.08)	14.70	112.44
Balance as per statement of cash flows	17.6	32.3	144.74
Net worth	270.43	305.83	353.37
Cash and Cash Equivalents	17.60	32.30	144.74
Current Investments	-	-	-
Assets Under Management	1350.01	1524.35	1742.37
Off Balance Sheet Assets	109.39	102.28	115.83
Total Debts to Total assets	0.75	0.76	0.78
Debt Service Coverage Ratios	0.88	1.27	1.93
Interest Income	157.79	238.77	237.52
Interest Expense	82.72	125.34	128.66
Interest service coverage ratio	1.32	1.39	1.42

Provisioning & Write-offs	11.14	20.40	7.82
Bad debts to Account receivable ratio	0.01	0.00	0.00
Gross NPA (%)	3.57%	2.55%	2.74%
Net NPA (%)	2.58%	1.81%	1.99%
Tier I Capital Adequacy Ratio (%)*	19.32%	19.54%	21.50%
Tier II Capital Adequacy Ratio (%)*	1.55%	1.65%	2.17%

Standalone

Particulars	March 31, 2019	March 31, 2020	March 31, 2021
Balance Sheet			
Net Fixed assets	5.27	5.21	4.42
Current assets	509.54	538.23	755.88
Non-Current assets	702.97	841.94	864.75
Total Assets	**1217.78**	**1385.38**	**1625.05**
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	406.19	480.96	512.49
Financial (borrowings, trade payables, and other financial liabilities)	45.06	27.39	26.70
Provisions	0.00	0.00	0.00
Deferred tax liabilities (net)	0.00	0.00	0.00
Other non-current liabilities			
Current Liabilities (including maturities of long-term borrowings)	493.05	576.16	741.81
Financial (borrowings, trade payables, and other financial liabilities)	1.47	1.19	1.12
Provisions	1.39	2.08	2.76
Current tax liabilities (net)	0.88	0.00	0.27
Other current liabilities			
Equity (equity and other equity)	269.73	297.61	339.90
Total Equity and Liabilities	**1217.78**	**1385.38**	**1625.05**

Total revenue from operations	155.05	205.69	204.07
Other income	0.27	0.19	0.16
Total Expenses	130.77	167.95	160.03
Profit / loss before tax	24.55	37.94	44.20
Other comprehensive income	0.01	-0.04	0.10
Total comprehensive income	**0.01**	**-0.04**	**0.10**
Profit / loss after tax	18.17	27.70	32.01
Earnings per equity share:			
(a) basic;	3.83	5.52	6.35
(b) diluted	3.83	5.51	6.34
Continuing operations	-	-	-
Discontinued operations	-	-	-
Total Continuing and discontinued operations	-	-	-
Net cash generated from operating activities	(212.60)	(108.05)	(194.85)
Net cash generated from investing activities	(46.51)	(1.21)	(0.59)
Net cash generated from financing activities	242.16	120.39	288.51
Cash and Cash Equivalents	(16.95)	11.13	93.08
Balance as per statement of cash flows	13.73	24.86	117.93
Net worth	269.73	297.61	339.90
Cash and Cash Equivalents	13.73	24.86	117.93
Current Investments	-	-	-
Assets Under Management	1227.88	1315.15	1489.27
Off Balance Sheet Assets	222.60	172.09	123.35
Total Debts to Total assets	0.74	0.76	0.77
Debt Service Coverage Ratios	0.88	1.27	1.93
Interest Income	155.05	205.69	204.07
Interest Expense	84.88	115.52	116.09
Interest service coverage ratio	1.30	1.34	1.39
Provisioning & Write-offs	11.17	16.35	6.47

Bad debts to Account receivable ratio	0.24%	0.43%	0.77%
Gross NPA (%)	3.93%	2.69%	2.98%
Net NPA (%)	2.92%	1.97%	2.19%
Tier I Capital Adequacy Ratio (%)	19.32%	19.54%	21.50%
Tier II Capital Adequacy Ratio (%)	1.55%	1.65%	2.17%

The Auditor's Report along with the requisite schedules, footnotes, summary etc. has been attached under **Annexure V** (*Last Audited Financial Statements and Auditor's Report*) to this Placement Memorandum.

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

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.25 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company.

Nil

5.26 Details of default and non-payment of statutory dues.

Nil

5.27 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

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

5.28 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue.

The Rating Agency has assigned a rating of "CARE PP MLD A; Stable" (pronounced as "Principal Protected Market Linked Debentures Single A)") with 'stable' outlook to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **Annexure II** (*Rating Letter, Rating Rationale and Detailed Press Release from the Rating Agency*) of this Placement Memorandum.

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

The obligations of the Company in relation to the Debentures shall be secured by an unconditional and irrevocable personal guarantee to be provided by Mr. VGK Prasad (collectively the "**Personal Guarantor**") in favour of the Debenture Trustee under the terms of the deed of personal guarantee to be executed by the Personal Guarantors in favour of the Debenture Trustee ("**Deed of Personal Guarantee**")

5.30 Disclosure of Cash flow with date of redemption payment as per day count convention

(a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made: Actual / Actual. Please also refer to the row on "*Business Day Convention*" under Section 5.37 (*Issue Details*) of this Placement Memorandum;

(b) Procedure and time schedule for allotment and issue of securities: Please refer to the row on "*Issue Timing*" under Section 5.37 (*Issue Details*) of this Placement Memorandum; and

(c) Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration: The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

5.31 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s):

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

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Annexure IX** (*In-Principle Approval Received From BSE*) of this Placement Memorandum. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

5.32 Other details:

(a) **Creation of Debenture Redemption Reserve** ("**DRR**") – **relevant legislations and applicability.**

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

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.).**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ("**Listing Regulations**") and the applicable RBI guidelines.

(c) **Default in payment**.

Please refer to the row on "Default Interest Rate" under Section 5.37 (*Issue Details*) of this Placement Memorandum and Section 7.5 (*Consequences of Event of Default*) of the Placement Memorandum, setting out the consequences pursuant to any default in payment of Debentures.

(d) **Delay in listing.**

Please refer to the row on "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" under Section 5.37 (*Issue Details*) of this Placement Memorandum, setting out the consequences pursuant to any delay in listing of Debentures.

(e) **Delay in allotment of securities**.

Any delay in allotment of securities from 2 (Two) Business Days from the Deemed Date of Allotment shall be an "Event of Default" under the terms of the Transaction Documents and the consequences set out under Section 7.5 (*Consequences of Event of Default*) of the Placement Memorandum shall trigger.

(f) **Issue details**.

Please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum.

(g) **Application process.**

The application process for the Issue is as provided in SECTION 8 (*Other Information and Application Process*) of this Placement Memorandum.

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

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in Section 10 (*Form No. PAS-4 - Private Placement Offer Cum Application Letter*) of this Placement Memorandum.

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

Not applicable

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

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

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

S. No.	Nature of Contract

1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated July 21, 2021 read with the resolution passed by the Loan & Investment Committee of the Board of Directors dated September 23, 2021 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated December 24, 2020 authorizing the borrowing by the Company and the shareholder resolution dated December 24, 2020 authorising the creation of security in respect of such borrowings.
4	Copies of Annual Reports of the Company for the last three financial years.
5	Credit rating letter dated September 28, 2021 and rating rationale from the Rating Agency dated September 28, 2021.
6	Letter from IDBI Trusteeship Services Limited dated September 3, 2021 giving its consent to act as Debenture Trustee.
7	Letter for Register and Transfer Agent.
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL and CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of the Debentures.

5.34 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 30,00,00,000/- (Rupees Thirty Crores only) by issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.

5.35 Issue Size

The aggregate issue size for the Debentures is of Rs. 30,00,00,000/- (Rupees Thirty Crores only).

5.36 Utilization of the Issue Proceeds

The proceeds shall be used for the purpose as set out in the row of "*Details of the utilization of the Proceeds*" under Section 5.37 (*Issue Details*) of this Placement Memorandum.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/ parent company/ associates.

5.37 Issue Details

Security Name	PPMLD IKF 2023
Issuer	IKF Finance Limited
Type of Instrument	Principal Protected Market Linked Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Unsecured Rated Listed Redeemable Non-Convertible Market Linked Debentures.
Seniority (Senior or subordinated)	Senior

Mode of Issue	Private placement
Eligible Investors	As provided in S. No. 25 of Part A (*Disclosures*) above.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (Four) working days of the date of closing of the Issue. In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Foreign Portfolio Investors or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Foreign Portfolio Investors or Qualified Foreign Investors. In accordance with the SEBI Debt Listing Regulations, in case of a delay by the Company in listing the Debentures beyond 4 (Four) working days from the date of closing of the Issue, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 4 (Four) working days from the date of closing of the Issue till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.
Rating of the Instrument	CARE PP MLD A; Stable
Issue Size	Rs. 30,00,00,000/- (Rupees Thirty Crores only).
Minimum subscription	10 (Ten) Debentures
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	To raise debt to the extent up to Rs. 30,00,00,000/- (Rupees Thirty Crores only). The Issue proceeds will be utilized for ongoing business operations of the Company.
Details of the utilization of the Proceeds	The proceeds will be utilised as per the objects of the Issue. No part of the proceeds would be utilized directly / indirectly towards equity capital markets or land acquisition or usages as restrictive for bank financing.
Redemption Amount	Amount payable on the Debenture (subject to performance of underlying index) on the Redemption Date along with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Early Redemption / prepayment	Any full or part Prepayment not arising due to an Event of Default can be done only after the completion of 12 months from the date of allotment. In case of early redemption of the Debentures, at the instance of the Issuer on any date other than the Maturity Date and not arising due to an Event of Default, the issuer shall pay a prepayment charge of 1% on the principal amount prepaid. The issuer shall give the Debenture Trustee and the Debenture Holders at least 45 Calendar Days written notice prior to exercising such an option.

Coupon Payment Frequency	Not Applicable
Redemption Dates (cumulative / non-cumulative, in case of dividend)	Redemption Amount shall be payable on the respective Redemption Dates for each Tranche as mentioned below: • Series 1: March 30, 2023 • Series 2: September 30, 2023
Coupon Type (Fixed, floating or other structure)	Not Applicable
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis (Actual / Actual)	Actual / Actual
Interest on Application Money	Interest at the rate of 15.00% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form. This clause is not applicable if the allotment happens on the same day of application
Default Interest Rate	(a) In case of failure by the Issuer in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum on the outstanding redemption amount for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. The default interest under the terms of this paragraph may be waived by the Majority Debenture Holder(s) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons as set below and does not exceed 2 (Two) Business Days from the date of such failure to pay: (i) The Due Date for such payment falls on a day which is not a Business Day. (ii) Payment infrastructure i.e. RTGS transfers, experiencing any downtime. (b) Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, in case of default by the Issuer in the performance of any other covenants, including Financial Covenants as provided for in the Debenture Trust Deed, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum on the outstanding redemption amount, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. (The default interest payable in terms of this paragraph is hereinafter

	referred to as the "**Default Interest**").
Tenor	• Series 1: 18 Months from the Deemed Date of Allotment • Series 2: 24 Months from the Deemed Date of Allotment
Redemption Date	• Series 1: March 30, 2023, 18 Months from the Deemed Date of Allotment • Series 2: September 30, 2023, 24 Months from the Deemed Date of Allotment (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations) or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Redemption Amount	The principal amount of the Debenture on the Redemption Date plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	N.A.
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debentures.
Minimum Application and in multiples of thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Issue Opening Date: September 30, 2021 Issue Closing Date: September 30,2021 Date of earliest closing of the Issue, if any: NA Pay-in Date: September 30, 2021; and Deemed Date of Allotment: September 30, 2021

Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depositories	NSDL and CDSL
Rating Covenant	If any time during the tenor of the debentures, the rating of the instrument is downgraded to BB+ or below, the debenture trustee, shall have the right, but not an obligation, to require the issuer to redeem the debentures within a period of 30 days.
Business Day Convention	**Business day is a day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Delhi and Mumbai.** If any Due Date falls on a day which is not a Business Day, the payment shall be made on the immediately preceding Business Day
Disclosure of Interest / Dividend / Redemption Dates	Please refer to the row on "*Coupon Payment frequency*" and "*Redemption Date*" under this Section 5.37 (*Issue Details*) of this Placement Memorandum.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in Section 7.3 (*Covenants of the Issuer*) of this Placement Memorandum and as set out in detail under the Transaction Documents.
Description regarding Security (where applicable) including type of security (movable /immovable /tangible etc.), type of charge (pledge /hypothecation /mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Disclosure Document / Placement Memorandum.	Not Applicable

Due diligence certificate issued by the Debenture Trustee	Not Applicable for the issuance The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto as **Annexure VII** of this Placement Memorandum.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee.	Please refer to **Annexure VIII** of this Placement Memorandum.
Transaction Documents	Shall be as set out in Section 7.1 (*Transaction Documents*) of this Placement Memorandum.
Conditions Precedent to Disbursement	1. The Issuer shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013 and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 2. Issuance of Information Memorandum and Private Placement Offer Letter, containing disclosures required in terms of the SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI (Issue and Listing of Non-convertible Securities) and the Companies Act. 3. The Issuer shall have issued the governmental and corporate authorizations (including board / committee resolutions permitting the issuance of the Debentures and the listing of the Debentures), as applicable. 4. Execution by the Issuer of the Debenture Trustee Agreement and the Debenture Trust Deed, the Deed of Personal Guarantee, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 5. The Issuer shall have submitted to the Debenture Trustee, the rating letter from the Rating Agency within a minimum credit rating of "CARE PP MLD A ; Stable "; 6. The Issuer shall have obtained the consent letter from the Debenture Trustee; 7. The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company, the certificate of incorporation of the Company and the certificate of registration as NBFC issued by the RBI; 8. The Issuer shall have provided a certificate to the Debenture Trustee, (including board resolution permitting issuer for listing of securities), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the Company to be exceeded; 9. The Issuer shall provide such other undertaking as may be required by

	the Debenture Holder(s); and 10. The Issuer shall ensure that all necessary approvals have been obtained for the Issue.
Conditions Subsequent to Disbursement	1. Filing of the relevant documents *inter alia* Form PAS-3 for return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. 2. The Issuer shall make an application to list the Debentures to the Wholesale Debt Market (WDM) segment of the BSE on or prior to the date of opening of issue and within 4 (Four) working days from the date of closing of the Issue, the Company shall obtain the final listing approval from BSE. 3. Dematerialized credit of the Debentures within 2 (Two) Business Days from the Deemed Date of Allotment. 4. The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures.
Events of Default (including manner of voting / conditions of joining Inter Creditor Agreement)	As mentioned in Section 7.4 (*Events of Default*) of this Placement Memorandum.
Creation of recovery expense fund	a. Details and purpose of the recovery expense fund The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207).
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	As set out in detail under Section 7.4 (*Events of Default*) of this Placement Memorandum.
Provisions related to Cross Default Clause	As mentioned in Section 7.4 (*Events of Default*) of this Placement Memorandum.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk factors pertaining to the Issue	As mentioned in Section 3 (*Risk Factors*) of this Placement Memorandum.
Covenants	As mentioned in Section 7.3 (*Covenants of the Issuer*) of this Placement Memorandum.
Representation and warranties	As mentioned in Section 7.2 (*Representations and Warranties of the Issuer*) of this Placement Memorandum.
Illustration of Bond Cash-flows	Kindly refer to **Annexure VI** of this Placement Memorandum.
Governing Law and Jurisdiction	(a) The Transaction Documents shall be governed by and construed in accordance with the laws of India. (b) Subject to Applicable Law, rules and regulations, all matters, questions, disputes, default, difference and/or claims arising out of and/or concerning and/or in connection and/or in consequence of breaches, termination or invalidity thereof or relating to the

	Transaction Documents ("**Disputes**"), whether or not obligations of parties under Transaction Documents be subsisting at the time of such Disputes and whether or not the Transaction Documents have been terminated or purported to the terminated or completed shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1996 as amended from time to time. (c) The Disputes shall be referred to a bench of 3 (Three) arbitrators ("**Arbitrators**") comprising 1 (one) arbitrator to be nominated by the Debenture Trustee (acting for the benefit of and on behalf of the Debenture Holders), 1 (one) arbitrator to be nominated by the Company and 1 (one) arbitrator to be jointly appointed by the parties within 15 (Fifteen) calendar days from the date on which such Dispute is referred to arbitration by either party. In the event the parties to the Transaction Documents fail to jointly appoint the third arbitrator within 15 (Fifteen) calendar days from the date on which such Dispute is referred to arbitration by either party, then the third arbitrator shall be appointed by a court in accordance with the provisions of the Arbitration and Conciliation Act 1996. (d) The award given by the Arbitrators shall be final and binding on all parties to the Transaction Documents. The seat of arbitration shall be at courts of Mumbai and the language of the arbitration proceedings shall be English. (e) In respect of the matters where it is determined in an arbitration proceeding conducted in accordance with sub-section (b) and/or sub-section (c) above that (i) the arbitration proceeding provided in sub-section (b) and (c) above is unenforceable; or (ii) the subject matter thereof is non-arbitrable under the Arbitration and Conciliation Act 1996, as amended, in such a situation, the courts in Jaipur, India shall have exclusive jurisdiction in relation to such matters. Each party to the Transaction Documents irrevocably waives any right it may have to object to an action being brought in any of those courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.
Valuation Agency	ICRA Analytics Limited
Valuation Agency Fees	Fees paid to Valuation Agency(ies) by the Issuer shall not exceed 0.3 (Zero Decimal Point Three) p.a. of the outstanding principal amount of the Debentures.
Valuation Frequency and Publication	The Valuation Agency will publish a valuation of the Debentures on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency. The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer. The latest and historical valuations for these Debentures will be published on the website of the Issuer at www.ikffinace.com and the website of the Valuation Agency at www.icraanalytics.com Upon request by any Debenture Holder for the valuation of these

	Debentures, the Issuer shall provide them with the latest valuation.

Note:

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

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

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

4. The Issuer shall provide granular disclosures in this Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

5. If, at any time, there shall be a payment default or any other Event of Default, the Company agrees to pay a penalty of 2 % per annum on the Outstanding redemption Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured.

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

(a) **Name of the bank declaring the entity as a Wilful Defaulter**: NIL

(b) **The year in which the entity is declared as a Wilful Defaulter**: NIL

(c) **Outstanding amount when the entity is declared as a Wilful Defaulter**: NIL

(d) **Name of the entity declared as a Wilful Defaulter**: NIL

(e) **Steps taken, if any, for the removal from the list of wilful defaulters**: NIL

(f) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions**: NIL

(g) **Any other disclosure as specified by SEBI**: NIL

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 TRANSACTION DOCUMENTS

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(c) Deed of Personal Guarantee whereby the Personal Guarantors shall provide an unconditional and irrevocable personal guarantee in favour of the Debenture trustee to secure the obligations of the Company in relation to the Debentures ("**Deed of Personal Guarantee**"); and

(d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

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

(a) ***Status***

(i) It is a company, duly incorporated, registered and validly existing under the Laws of India.

(ii) It is registered as a non-banking financial company with the RBI.

(iii) It and each of its subsidiaries (as defined under the Act) has the power to own their respective Assets and carry on their respective business as it is being conducted.

(b) ***Binding obligations***

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

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

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

(i) any Law or regulation applicable to it;

(ii) its Constitutional Documents

(iii) any agreement or instrument binding upon it or any of its Assets.

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

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

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

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

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(f) ***No default***

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

(g) ***Pari passu ranking***

Each Debenture constitutes direct and unconditional and secured obligations of the Company. The claims of the Debenture Holders shall be superior to all the claims of equity investors/ lenders of Tier I Capital and Tier II Capital (including without limitation, any Subordinated Debt) and shall rank at least *pari passu* inter se and to all other lenders who have not expressly agreed to subordinate their claims to those of other lenders of the Company.

(h) ***No proceedings pending***

Except as disclosed by the Company in its Disclosure Document(s), annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

(i) ***No misleading information***

(A) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(B) It has disclosed all information in the Disclosure Document(s) that is relevant for the Applicants to apply for subscription of the Debentures.

(j) ***No Material Adverse Effect***

(i) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.

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

(k) ***Assets***

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

(i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.

(iii) It has disclosed all its borrowings from various banks and financial institutions in the Disclosure Document(s).

(m) ***Solvency***

(i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of applicable Law, nor will it become unable to pay its debts for the purposes of applicable Law as a consequence of entering into this Deed or any other Transaction Document.

(ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Indebtedness.

(iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(v) No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 in respect of the Company.

(vi) No reference, enquiry or proceedings under corporate debt restructuring (CDR) mechanism or the strategic debt restructuring (SDR) mechanism of the RBI, and no steps have been taken by any lender in respect of any member of the Group, under the 'Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the RBI.

(n) ***No immunity***

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

(o) ***Legal and Beneficial Ownership***

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

(p) ***Compliance with Laws***

(i) The Company and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws.

(ii) With respect to all such Environmental and Social Requirements, the Company and each Group Entity (1) have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations to the same, (2) have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority, and (3) have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief.

(iii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC (if applicable) and obtain all consents and approvals required for the completion of the Issue.

(q) ***Anti-terrorism Laws***

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

(r) ***No Corrupt Practices***

(i) Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

(ii) Neither the Company nor any Group Entity through its officers, directors or employees in such capacities or any person acting on behalf of the Company or any Group Entity have engaged in any Objectionable Practice.

(s) ***Taxation***

(i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;

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

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

(t) ***Disclosures in Disclosure Document(s)***

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

(u) ***Audit***

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

(v) ***Good Business Standard***

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

(w) ***Proper book-keeping and accounting***

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

(x) ***Employees***

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

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

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

7.3 COVENANTS OF THE ISSUER

Affirmative Covenants

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

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

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

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

(c) ***Costs and expenses***

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

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

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

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

Company shall

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

any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the redemption amount on the Debentures might or would be hindered or delayed; and

(ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;

(iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

(f) ***Pay stamp duty***

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

(g) ***Furnish information to trustee***

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

(h) ***Grievance***

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

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

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

(i) notice of any Event of Default or potential Event of Default, each as listed in (*Events of Default*) of this Information Memorandum;

(ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed);

(iii) details of any material litigation, arbitration or administrative proceedings, etc. (materially threshold – more than 2% of Gross Loa Portfolio) including those

that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed);

(iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and

(v) the declaration or distribution of dividend;

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

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

(k) ***Further assurances***

Company shall

(i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;

(iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;

(iv) comply with:

(A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) [Issue and Listing of Structured Debt Securities Market Linked Debt Securities under Operational Circular read with NCS Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((v) NCS Listing Regulation and (iv) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;

(B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the

Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Act in relation to the issue of the Debentures;

(D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and

(E) The Company shall ensure that, at time of making any payment of interest or repayment of the redemption amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

(l) ***Filings***

If the Debentures are listed, the Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(m) ***Amounts to be reimbursed to the Debenture Trustee***

Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(n) ***Where Debenture Holder is a Foreign Investor***

Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "**Relevant Payment Date**"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail;

(o) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept.

The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

(p) ***Material Adverse Effect***

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

(q) ***Insurance***

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

(r) ***Corporate Governance***

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

(ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 1 (one) independent director; and

(iii) the Company shall at all times comply with the NBFC Master Directions.

(s) ***General***

(i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;

(ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;

(iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;

(iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and

(v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(t) ***Access***

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

(i) check the management of the funds made available through subscription to the Debentures;

(ii) inspect and take copies and extracts from the books, accounts and records of the Company;

(iii) visit and inspect the premises of the Company; and

(iv) meet and discuss matters with senior management employees of the Company.

(u) ***Conditions Subsequent***

Company shall comply with the conditions stipulated in under Section 5.37 (*Issue Details*) of this Placement Memorandum.

(v) ***Financial Covenants***

Company shall comply with the financial covenants stipulated under section 7.3 *Financials Covenants* of this Placement Memorandum

(w) ***Issue Terms and Conditions***

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

(x) ***Internal Controls***

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

(bb) ***Information to Debenture Trustee***

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee as may be required by it to enable the Debenture Trustee to fulfill its obligations as laid out in Clause 5.14 and as may be required by SEBI from time to time.

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Negative Covenants

Without the prior written consent of the Debenture Trustee the Company shall not take any action/ permit any action to be taken in relation to the items set out herein. The Debenture Trustee reserves the right to take the consent of the Majority Debenture Holders prior to any such approval/rejection, if it deems necessary.

(a) ***Change of business; Role of Promoter***

(i) Change the general nature of its business from that which is permitted by the RBI.

(ii) Change or make any alteration to its Constitutional Documents.

(iii) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever of the equity shares held by the Promoter in the Company whereby the equity stake of the Promoter in the share capital of the Company falls below the level at the time of execution of this deed, nor will the Promoter encumber (in any manner whatsoever) the shares held by the Promoter in the Company.

(iv) Change in promoter or control (excluding Employee Stock Option) in issuer. If there is no response within 7 calendar days, it will be deemed as consent given by Debenture Holders. However, any other changes in control not due to new equity raise and current promoters' holding going below 10% will have to be formally approved by Debenture holders and deemed consent window is not applicable.

(v) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed.

(b) ***Dividend***

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

(i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);

(ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;

(iii) the Company is in compliance with the financial covenants set forth in Section 7.3 **(***Financial Covenants*) in this Placement Memorandum; and

(iv) the company has paid or made satisfactory provision for the payment of the redemption amount due on the Debentures.

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

Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

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

Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

(e) ***Acquisition***

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

(f) ***Joint Venture***

Without the prior written consent of the Majority Debenture Holders:

(i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or

(ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(g) ***Loans and Guarantees***

The Company shall not:

(i) extend a loan to any single individual or entity amounting to greater than 10% (Ten percent) of its Tangible Net Worth; or

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

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

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

(i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;

(ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or

(iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(i) ***Immunity***

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

(j) ***Auditor***

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

(k) ***Liabilities***

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

(l) ***Change of control***

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents.

No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company.

(m) ***Disposal of Assets***

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

(n) ***Management Control***

Any change in Management Control of the Company.

(o) ***Material compromise or Settlement***

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

(p) ***Anti-money laundering***

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

(q) ***Related Party Transactions***

Issuer shall not enter into any transaction(s) with a related party without the prior written consent of the Debenture Trustee except investment in wholly owned

subsidiary 'IKF Home Finance Limited' or loans/ICDs to/from wholly owned subsidiary 'IKF Home Finance Limited'.

(r) ***Financial Year***

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

(s) ***Others***

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

Reporting Covenants

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

Monthly Reports

Within 21 (Twenty One) working days from the end of each month provide

a. ALM table

Annual Report

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

(a) as soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with IND AS including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Company whether absolute or contingent as of the date thereof; and

(ii) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;

(iii) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;

(iv) all annual information submitted to the RBI; and

(v) the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy.

Quarterly Reports

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

(i) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter including its balance sheet, income statement and statement of cash flow;

(ii) details of operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and portfolio at risk data), funding data, and asset liability management (ALM) data in RBI format, in such form and manner as may be acceptable to the Debenture Holders;

(iii) copies of the quarterly/half-yearly returns filed with the RBI; and

(iv) a certificate signed by an authorised signatory via board resolution of the Company stating that the Company is in compliance with all the covenants;

(v) Information such as financials, operations, portfolio, and asset quality (including but not limited to static portfolio cuts, collection efficiency and portfolio at risk data), funding data, ALM in formats acceptable to the Debenture Holders

(vi) Financial covenant compliance certificate signed by an authorised signatory via board resolution of the Company

(vii) Copy of returns filed with the Reserve Bank of India ("RBI") and the SEBI (as applicable)

(viii) Change in senior management officials (any CXO or equivalent)

(ix) Changes in accounting policy

(x) Change in shareholding structure

(xi) Such other information / details / reports as may be requested by the debenture trustee.

Event Based Reports

(i) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as available, and in any event within 5 (Five) Business Days from the occurrence of such event:

(a) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(b) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;

(c) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;

(d) the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company;

(e) Any fraud amounting to more than 2.0% of Gross Loan Portfolio

(f) the Company alters its Constitutional Documents where such amendment would have a material adverse effect; and

(g) any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company.

Reporting to stock exchanges:

The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information alongwith the Debenture Trustee's letter of noting of the said information:

a) Credit rating of the Debentures or change in credit rating;
b) Nature, extent of the Security and security cover available for the Debentures;
c) Debt-equity ratio;
d) Previous due date for the payment of interest/principal and whether the same has been paid or not;
e) Next due date for the payment of interest/principal;
f) Debt service coverage ratio;
g) Interest service coverage ratio;
h) Net worth;
i) Net profit after tax;
j) Earnings per share;
k) A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures.

The Company shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Financial Covenants:

1. The capital adequacy ratio (as defined in RBI NBFC Regulations) shall be equal to 18% or above at all points in time.

2. Cumulative Asset Liability mismatch should always be positive in all the buckets upto 1 year to the extent of at least 10%. If the said covenant is breached then the company will have a curing period of 30 days to bring it back to the stated range.

3. Asset Quality: Ratio of PAR-90 to Gross Loan Portfolio shall be 5% or lower.

   "Gross Loan Portfolio" shall include on balance sheet and off-balance sheet portfolio

   "Off Balance Sheet Portfolio" shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever

   "PAR-90" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.

   "Client Loan" means each loan made by the Company as a lender.

   "Loan Loss Reserves" means the portion of the Company's portfolio of client loans that has been expensed (provisioned for) in anticipation of losses due to default.

"Gross NPA" shall have the meaning in accordance with the guidelines issued by the Reserve Bank of India.

** - Not more than 80% of the CC / OD / Working capital borrowings that are captured in the less than 1 year bucket will be assumed to be renewed for the purpose of this cumulative ALM mismatch covenant.

All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 31st Dec 2021 on consolidated and standalone balance sheet till the redemption of the Debentures.

The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.

7.4 EVENTS OF DEFAULT

(a) ***Payment Defaults***

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable on its Due Date.

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

(i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.

(iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

(c) ***Business***

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

(d) ***Misrepresentation***

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer (officer as defined under Companies Act, 2013)

(e) ***Material Adverse Change***

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

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

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

(A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate;

(B) a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate;

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or

(D) the Company or its Affilate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));

(E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or

(F) enforcement of any security over any Assets of the Company or its Affiliate.

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

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

(g) ***Cross Default***

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be

due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(h) ***Creditors' Process***

(i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.

(ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.

(iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.

(iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

(v) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof.

(i) ***Judgments Defaults***

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

(j) ***Transaction Documents***

(i) This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.

(ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to

be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

(k) ***Unlawfulness***

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

(l) ***Repudiation***

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

(m) ***Information Covenants***

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in Section 7.3 of this Placement Memorandum

(n) ***Government Intervention***

(i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

(ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or

(iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(o) ***Delisting***

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

(p) ***Cessation***

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

(q) ***Alteration in Constitutional Documents***

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

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

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

(s) ***Erosion of Net Worth***

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more starting December 30, 2021.

(t) ***Merger***

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

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

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

(v) ***Third party***

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

(w) ***Wilful default***

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

(x) ***Breach of Financial Covenants***

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

(y) ***Breach of Negative Covenants***

Any breach of negative covenants mentioned in *Negative Covenants* in this Information Memorandum.

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

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

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

If one or more of the events specified under Section 7.4 (*Events of Default*) of this Placement Memorandum occur(s), the Debenture Trustee may, in its discretion, that is, without requiring any consent or confirmation of the Company, and upon request in writing of Special Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in **Clause 6** (*Provisions for the meetings of the Debenture Holders*) hereto by a notice in writing to the Company initiate the following course of action:

(a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents;

(b) declare all or any part of the Debentures to be immediately (or on such dates as the DebentureTrustee may specify) due and payable, whereupon it shall become so due and payable;

(c) enforce in accordance with its terms, as may be set out herein or therein, towards repayment of the Debentures;

(d) appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses;

(e) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company,

(f) take necessary action of either enforcing the Security or entering into the Inter Creditor Agreement as stated in Clause 10 of this Deed or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a committee of the Debenture

Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s),from time to time. The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws.

(g) The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" issued by SEBI, as amended from time to time for utilization of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred.

(h) take all such other action expressly permitted under this Deed or in the other Transaction Documents or permitted under the Law including invocation of guarantee (if applicable); and

(i) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), or any other Applicable Law;

(j) exercise such other rights as the Debenture Trustee may deem fit under applicable Law to protect the interest of the Debenture Holders.

Dividend

As long as Event of Default subsists or if the Debenture Trustee has exercised any of the remedies under Clause 4, then until the rectification of the Event of Default or until the redemption of the Debentures in full to the satisfaction of the Debenture Trustee, the Company shall not, without the prior written consent of the Majority Debenture Holders, declare or pay any dividend or make any distribution of its share capital or purchase or redeem or otherwise acquire any part of its own share capital or in any other way transfer funds from the Company to the shareholders.

Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has happened, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such Event of Default, or of such event.

Right to Disclose/Publish the Names of the Company and its Directors as Defaulters

In the event of the Company committing default in the repayment of any instalment in relation to the Debentures or the payment of interest on the applicable Due Dates, the Debenture Holders/Debenture Trustee shall have an unqualified right to disclose the name of the Company and its directors to RBI/or any other statutory/regulatory authority. The Trustee and/or RBI and/or any other Governmental Authority shall have the right to publish the name of the Company and its directors as defaulters in such manner and through such medium as they in their absolute discretion may think fit

Please note that the capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

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

8.1 Mode of Transfer/Transmission of Debentures

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

8.2 Debentures held in Dematerialised Form

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

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

8.3 Debenture Trustee for the Debenture Holder(s)

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

8.4 Sharing of Information

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

8.5 Debenture Holder not a Shareholder

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

8.6 Modification of Debentures

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

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

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

(e) Creating of any additional security; and
(f) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

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

8.8 Notices

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

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

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; or (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; or (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (d) in the case of personal delivery, at the time of delivery; or (e) in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

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

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.10 Application Procedure

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

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

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

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name	IKF Finance Limited
Bank Account No.	**034313100000104**
IFSC Code	**UBIN0803430**
Bank Name	Union Bank of India
Branch Address	Labbipet, Vijayawada, Andhra Pradesh
Type of Account	Cash Credit Account

8.14 Eligible Investors

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

a) Mutual Funds;
b) NBFCs;
c) Provident Funds and Pension Funds;
d) Corporates;
e) Banks;
f) Foreign Institutional Investors (FIIs);
g) Qualified Foreign Investors (QFIs);
h) Foreign Portfolio Investors (FPIs);
i) Insurance Companies; and
j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

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

8.15 Procedure for Applying for Dematerialised Facility

i. The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.

ii. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

iii. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

iv. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

v. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the R&T Agent.

vi. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

vii. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

viii. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

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

8.17 List of Beneficiaries

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

8.18 Application under Power Of Attorney

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

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

8.19 Procedure for application by Mutual Funds and Multiple Applications

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

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

a) SEBI registration certificate; and
b) Resolution authorizing investment and containing operating instructions; and
c) Specimen signature of authorized signatories.

8.20Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

a) Memorandum and Articles of Association or other constitutional documents;
b) Resolution authorising investment;
c) Certified true copy of the power of attorney to custodian;
d) Specimen signatures of the authorised signatories;
e) SEBI registration certificate (for Mutual Funds);
f) Copy of PAN card; or
g) Application Form (including EFT/RTGS details);

8.21 Applications to be accompanied with Bank Account Details

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

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless it obtains legal representation, from a court in India having jurisdiction over the matter.

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

8.23 Mode of Payment

All payments must be made through cheque(s), demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

If the Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. If the Maturity Date / Redemption Date or the due date in respect of liquidated damages and all other monies payable under the Debenture Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

8.25 Tax Deduction at Source

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

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

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced

with the actual credit of Debentures, in dematerialised form, within a maximum of 2 (Two) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 27, 2021 by which date the investors would be intimated of allotment.

8.28 Record Date

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

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

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

8.30 Interest on Application Money

Interest shall be payable on the application monies received at the Rate of 2% (Two Percent) per annum net of withholding taxes. Such interest shall be payable from the date of realisation of application monies in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.31 PAN Number

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

8.32 Payment on Redemption

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

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

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

Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations /

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

SECTION 9 :UNDERTAKING

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

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

The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters of the Issuer and Permanent Account Number of the directors of the Issuer have been submitted to the stock exchange(s) on which the non-convertible securities are proposed to be listed, at the time of filing of the draft Placement Memorandum.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, potential investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantees the accuracy or adequacy of this document. Specific attention of potential investors is invited to the statement of 'Risk Factors' given under Section 3 'General Risks' of this Placement Memorandum.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the relevant stock exchange's website where the Debentures are listed.

For **IKF Finance Limited**

For IKF Finance Limited

(V.G.K. PRASAD)
Managing Director

_____
Authorised Signatory

Name: _____
Title: _____
Date: September 29, 2021

SECTION 10 :PAS4

[attached separately]

SECTION 11 :DECLARATION BY THE DIRECTORS

Each of the directors of the Issuer hereby confirms and declares that:

A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder, including the compliances in relation to making a private placement of the Debentures;

B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;

C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and

D. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

Investments in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 (*Risk Factors*) of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution July 21, 2021 and read with the resolution passed by the Management Committee of the Board of Directors of the Company dated September 23, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

For **IKF Finance Limited**

For IKF Finance Limited

(V.G.K. PRASAD)
Managing Director

_____

Managing Director
Name: V.G.K.Prasad
Title: Managing Director
Date: September 29, 2021

ANNEXURE I: TERM SHEET

As provided in Section 5.37 (*Issue Details*) of this Placement Memorandum.

ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

CARE Ratings
Professional Risk Opinion

CARE/CRO/RR/2021-22/1038

Shri V.G.K. Prasad
Managing Director
IKF Finance Limited
40-1-144, 3rd floor, Corporate centre,
MG Road, Vijayawada
Andhra Pradesh (New) 500010

September 28, 2021

Dear Sir,

Credit rating of outstanding debt instruments

Please refer to our letter dated September 28, 2021 on the above subject.

2. The rationale for the rating is attached as an **Annexure - I.**

3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by **September 29, 2021**, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours Faithfully,

R. Ravishankar

Ravi Shankar R
Assistant Director
ravi.s@careratings.com

Annexure - I

Rating Rationale

IKF Finance Limited

Ratings

Facilities/Instruments	Amount (Rs. Crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	1,200 (enhanced from 1,065)	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Total Facilities	**1,200 (Rs. One thousand two hundred crore only)**		
Non-Convertible Debenture - I	-	-	Withdrawn
Non-Convertible Debenture - V	6 (reduced from 10.50)	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VI	50 (reduced from 100)	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VII	125	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VIII	30	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - IX	50	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - X	50	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Subordinated Debt - I	25	**CARE A; Stable** [Single A; Outlook: Stable]	Reaffirmed
Principal Protected Market linked debenture	30	**CARE PP-MLD A; Stable** [Principal Protected - Market Linked Debenture Single A; Outlook: Stable]	Assigned
Total Long-term Instruments	**366 (Rs. Three hundred sixty-six crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities and various debt instruments of IKF Finance Limited (IKF) continue to derive strength from experienced promoters and management team with a balanced growth and risk policy adopted by the company, long and established track record of operations in the lending business with a strong brand image, seasoned and gradual growth in the portfolio over the past several years, diversified resource and funding profile, well-defined credit and recovery policy with strong collection systems adopted, comfortable capital adequacy supported by periodic equity infusion and healthy profitability indicators.

The ratings are constrained by regional concentration of the portfolio, relatively moderate scale of operations, inherent risks associated with its borrower profile mostly being self-employed in the informal segment, exposure to higher ticket SME Segment, moderate asset quality along with higher delinquencies in the softer buckets and competitive nature of industry.

CARE Ratings has withdrawn the rating assigned to the non-convertible debenture issue - I of IKF Finance Limited with immediate effect, as the company has repaid the aforementioned non-convertible debenture issue in full and there is no amount outstanding under the issue as on date.

Rating Sensitivities

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

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

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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

- Deterioration in the asset equality with the gross non-performing assets (GNPA) above 6% and there by impacting profitability for an extended period
- Deviation of portfolio ageing from historical levels for an extended period
- Moderation of the capital structure with weakening of overall gearing ratio to more than 4.5 times on a sustainable basis
- Aggressive growth/migration of portfolio to segments which lack seasoning benefits
- Deviation in envisaged portfolio contribution from relatively riskier SME segment

Detailed description of the key rating drivers

Established track record and experienced management team

IKF has a long track record of about three decades in the vehicle financing segment. Mr V.G.K. Prasad (Managing Director) has established experience of more than three decades and the business operations of IKF have benefited from his long-established track record in the auto finance segment and the vast industry network developed over the years. He has also been associated with various other Industry Associations and has been the President of Federation of Indian Hire Purchase Associations (FIHPA). The second generation has taken over the business operations in a large way with Ms K Vasumathi Devi, Executive Director (daughter of Mr V.G.K. Prasad) handling Business, Credit, Collections, HR & IT operations. They are well supported by a team of qualified and experienced management team.

Well-defined credit policy and improving MIS system

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

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

Healthy profitability profile

During FY21, IKF reported a PAT of Rs.32 crore on a total income of Rs.204 crore as against a PAT of Rs.28 crore on a total income of Rs.206 crore during FY20 (refers to the period April 1 to March 31).

With the decline in yield on Advances from 17.17% in FY20 to 15.09% in FY21 and increased cash position maintained by the company, NIM moderated from 7.21% in FY20 to 6.12% in FY20. Owing to the lockdown because of Covid-19, opex to average total assets improved to 2.49% in FY21 from 2.78% in FY20. The improvement in opex ratio is also because of the increase in assets under management (AUM) per branch.

With the view of Covid-19, IKF has provided additional provision during FY20 and IKF has written back the provision amounting to Rs.4.30 crore during FY21. Because of the same, Credit cost improved from 1.26% in FY20 to 0.43% in FY21 despite higher write-off of Rs.10.74 crore in FY21 as against Rs.5.42 crore in FY20. The Return on total assets (ROTA) remained at 2.12% during FY21 as against 2.14% during FY20.

During Q1FY22, IKF reported a PAT of Rs.9 crore on a total income of Rs.54 crore as against a PAT of Rs.8 crore on a total income of Rs.53 crore during Q1FY21. NIM and ROTA during Q1FY22 stood at 6.15% and 2.15% as against 6.54% and 2.36% in Q1FY21.

Moderately diversified resource profile with inclination towards banks

Bank borrowings was the key source of funding for IKF and the company has a cash credit limits of Rs.287 crore from various banks as on June 30, 2021. IKF has raised Rs.100 crore under TLTRO 2.0 and Rs.205 crore under PCG 2.0 during FY21 and because of the same, bank borrowings (TL, CC and NCD) increased significantly from 63% as on March 31, 2020 to 81% as on March 31, 2021.

Borrowings as term loan from banks and non-banking finance companies (NBFC) & FI stood at 35.45% and 7.57% as on March 31, 2021 as against 42.55% and 12.33% as on March 31, 2020. Share of Cash Credit from the banks stood at 21.11% as on March 31, 2021, as against 20.09% as on March 31, 2020. Borrowings through NCD, Sub-debt and PTC stood at 26.86%, 3.59% and 5.43% as on March 31, 2021 as against 5.78%, 4.71% and 14.55%, respectively.
As on June 30, 2021, Term loan from the banks and NBFC & FI stood at 35.65% and 6.47%, followed by cash credit (26.21%), NCD (23.92%), PTC (3.90%) and Sub-debt (3.85%).

Comfortable capitalization
Aided by regular capital infusion by the promoters and PE investors, over the last few years, IKF has been able to maintain capital adequacy at comfortable levels.
With the equity infusion of Rs.10 crore from the promoters and moderate portfolio growth in FY21, CAR and Tier I CAR has improved to 23.66% and 21.50% as on March 31, 2021 from 21.19% and 19.54% as on March 31, 2020. Furthermore, during FY21, IKF has raised subordinated debt of Rs.25 crore, and because of the same, Tier II Capital has also improved. Overall gearing as on March 31, 2021, stood at 3.71x as against 3.62% as on March 31, 2020.
With Nil growth in AUM during Q1FY22 and internal accruals, CAR and Tier I CAR improved further to 24.54% and 22.03% as on June 30, 2021 with a gearing of 3.36x.

Modest scale of operations
IKF has been in the vehicle finance business since 1991, despite having a track record close to three decades, the size of operation remained moderate with an AUM of Rs.1,489 crore as on March 31, 2021. Though being modest in size, the company has been able to register continuous growth with comfortable capitalization.
Over the last three years ended March 31, 2021, IKF has grown at a compound annual growth rate (CAGR) of 13% from Rs.1,032 crore as on March 31, 2018 to Rs.1,489 crore as on March 31, 2021 (PY: Rs.1,315 crore), including a reported growth of 13% during FY21.
Disbursements during FY21 moderated to Rs.595 crore from Rs.745 crore during FY20 majorly because of disruptions in business operation on account of Covid-19. It is to be noted that 75% of the FY21 disbursements was made during H2FY21.
AUM as on March 31, 2021, is mainly spread across four major products, namely, Commercial Vehicle (CV 33.00%), Construction Equipment (16.96%), CARs and MUVs (20.96%) and SME segment (13.72%) which together account for 85% of AUM. The company has largely a seasoned portfolio with long presence in CV segment. Hence, any large deviation from same to any other asset class would be a key monitorable.

Geographical concentration of portfolio
IKF expanded its operations over the last few years by setting up branches in new geographies and the company is operating in nine states covering Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan through 82 branches (as on March 31, 2021). Nevertheless, the portfolio is concentrated in South India (5 states) with 66% of the AUM as on March 31, 2021 as against 70% of AUM as on March 31, 2020. Home state of IKF, Andhra Pradesh and Telangana constituted around 50% of the AUM as on March 31, 2021, against 56% as on March 31, 2020.
IKFs portfolio is expected to remain concentrated in the south India states, especially in Andhra and Telangana in the medium term. Also, the company has added seven new branches in FY21 majorly in Andhra Pradesh and Telangana region. The ability of the company to manage the growing scale of operations and operational efficiencies as it opens new branches/enters new geographies to grow the portfolio while maintaining good asset quality would be a key rating factor.

Exposure to SME Financing
IKF had been expanding its presence in the SME financing segment over the last few years, with the same contributing 13.72% of the AUM as on March 31, 2021 (PY: 16.73%) reduced from 21.80% as on March 31, 2019, in line with the management strategy to reduce the exposure. The management as per its strategy has been reducing the exposure which along with higher advances being given by the banks to SME segment at relatively better rates has also reduced the proportion of SME financing. For IKF, the segment is backed by high security cover of about 1.4x (primary and collateral put together).

Moderate asset quality characterized by high delinquency in softer buckets

Gross and Net Stage III slightly increased from 2.69% and 1.97% as on March 31, 2020 to 2.98% and 2.19% as on March 31, 2021, despite higher write-off of Rs.10.74 crore during FY21 (PY: Rs.5.42 crore). Provision coverage stood at 28.25% as on March 31, 2021 as against 28.78% as on March 31, 2020. Further, over the last 5 years the company was able to recover around 75-80% of the opening NPAs within one-year, by any of the methods such as up gradation, pre-closure or sale of reposed vehicles. 90+ of products such as Cars & MUVs, CVs have increased significantly during FY21 from 2.36% and 1.55% as on March 31, 2020, to 3.84% and 3.51% as on March 31, 2021.

Delinquency in the softer buckets continue to remain high. Stage II Assets, moderated from 34.58% as on March 31, 2020 to 39.74% as on March 31, 2021. However, with the company's better collection efforts and repossession activities, 90+ of IKF continues to remain under control.

With the outbreak of second wave of Covid-19, Gross and Net Stage III increased further to 3.88% and 2.96% as on June 30, 2021. Provision coverage as on June 30, 2021, stood at 25.51%.

Impact of Covid-19

During the first wave of Covid-19, collection efficiency (total collection / monthly demand) moderated to a low of 17% during April 2021 and it regained to 100% in September 2020. However, During the second wave of COVID-19, it moderated to a low of 87% and 90% in April and May 2021 and it regained immediately to 106% in June 2021. The complete impact on asset quality and profitability because of the second wave remains to be seen. IKF's performance post first wave in controlling 90+ and liquidity position adds comfort.

Industry Outlook and Prospects

CV sector was expected to face challenges as lesser movement of vehicles translated to weak earnings for fleet operators in the beginning of FY22. Construction equipment and MHCVs involved in transporting of non-essential commodities and construction are likely to face revenue losses during the lockdown period. However, in view of the GoI's push to ensure the supply of essential commodities, it is expected that vehicles involved in transporting essential commodities will be able to continue the business. Thus, a large portion of LCVs (used in intra-state movement) and some portion of MHCVs (used in inter-state movement) are expected to be functional during the lockdown. However, the impact due to lower industrial and infrastructure-related activities could be adverse on this segment.

Financiers who provide loans to MSME units generally tend to rely on assessment of the estimated (surrogate) cash flows and offer loans at high yield. Lockdowns, disruptions in the supply chain and impact on large industries would increase immediate delinquencies in this segment. However, secured MSME loans with collateral security (Property, machinery, etc.) and longer tenure may have the time for eventual recovery and may be more immune to the economic shocks compared to unsecured ones. The impact could vary across sub-segments and ticket sizes.

The outlook for NBFCs and HFCs has turned negative due to Covid-19 outbreak. The sector which grappled with liability side disruptions could see another wave of challenges, this time in the form of asset quality. While asset quality of NBFCs has witnessed moderation in FY20 and FY21, the impact of second wave of COVID-19 on the asset quality remains to be seen.

Liquidity: Adequate

IKF's ALM stood adequate with no negative cumulative mismatch in any of the time buckets upto 1 year as on June 30, 2021 due to the relatively short nature of its loans as against longer tenure of its borrowings. As on July 31, 2021, the company has unavailed lines of credit (including unutilized CC of Rs.32 crore) of Rs.207 crore and assets available for securitisation stood at Rs.150 crore.

During FY21, IKF has availed Rs.175 crore through Term Loan, Rs.305 crore through NCD (under TLTRO 2.0 and PCG) and Rs.35 crore WCDL facility from banking system, Rs.75 crore from SIDBI and Rs.25 crore through Sub-debt from a NBFC. The ability of the company to mobilize funds from the banks at a competitive rate with improved incremental cost of borrowings adds comfort.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's Policy on Default Recognition
Financial Ratios-Financial Sector
CARE's Rating Methodology for Non-Banking Finance Companies (NBFCs)

Rating Methodology - Market linked Notes
Policy on Withdrawal of Ratings

About the Company

Incorporated in 1991 as Indra Keela Financiers Private Limited, IKF is registered as an asset financing company and non-deposit taking NBFC with RBI, and is primarily engaged in the business of vehicle and SME segment financing. The company also provides loan to smaller NBFCs. As on March31, 2021, IKF has presence across nine states viz. Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan through 82 branches and an employee base of 615.

The company is promoted by Mr V.G.K. Prasad (Managing Director), who has more than three decades of experience in the industry. As on March 31, 2021, Promoters hold 56.17% followed by two funds (India Business Excellence Fund II - 14.82% and IIA- 24.78%) managed by Motilal Oswal Private Equity (MOPE), the Private Equity (PE) arm of Motilal Oswal Financial Services Limited and the rest by others.

IKF has a subsidiary, IKF Home Finance Limited (IKFHF), with a shareholding of 84.31% (rest by the promoters) as on March 31, 2021. It is primarily engaged in providing home loan products/refinance solutions with an AUM of Rs.288 crore and a branch network of 23 spread across 5 states as on March 31, 2021.

Financial Performance *(Rs. Cr)*

As on / Year ended March 31	*2019 (12m, A)*	*2020 (12m, A)*	*2021 (12m, A)*
Working Results			
Fund Based Income	152	203	202
Other income	3	2	2
Total Income	**155**	**206**	**204**
Operating Expenses	33	35	36
Total Provision / Write offs	11	16	6
Depreciation	1	1	1
Interest	85	116	116
PAT	**18**	**28**	**32**
Financial Position			
Tangible Net worth	267	292	338
Total Borrowings	899	1,058	1,255
Loan Portfolio	1,095	1,260	1,402
AUM	1,227	1,315	1,489
Total Assets	1,215	1,380	1,623
Key Ratios (%)			
Solvency			
Overall Gearing (times)	3.37	3.62	3.71
Capital Adequacy Ratio (CAR) (%)	20.86	21.19	23.66
Tier I CAR (%)	19.32	19.54	21.50
Interest Coverage (times)	1.29	1.33	1.38
Profitability			
Net Interest Margin	7.12	7.21	6.12
Return on Total Assets (ROTA)	1.77	2.14	2.12
Operating expenses to Total Assets	3.37	2.78	2.49
Asset Quality			
Gross NPA Ratio	3.93	2.69	2.98
Net NPA Ratio	2.92	1.97	2.19
Net NPA to Networth	11.97	8.50	9.07

Notes:

(a) A -Audited
(b) Ratios have been computed based on average of annual opening and closing balances
(c) NIM has been calculated as net interest income/ average annual total assets

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2
Details of rated facilities: Please refer Annexure-3
Complexity level of various instruments: Please refer Annexure-4
Covenants of rated instrument / facility: Please refer Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	Mar 2026	800.00	CARE A; Stable
Fund-based - LT-Cash Credit	-	-	-	-	400.00	CARE A; Stable
Debentures-Non Convertible Debentures-I	-	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures-V	INE859C08046	Jun 25, 2019	12.15%	Jun 24, 2022	6.00	CARE A; Stable
Debentures-Non Convertible Debentures-VI	INE859C07063	Jul 22, 2020	10.25%	Apr 21, 2023	50.00	CARE A; Stable
	INE859C07055	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures-VII	INE859C07071	Aug 20, 2020	9.10%	Feb 20, 2022	30.00	CARE A; Stable
	INE859C07089	Aug 27, 2020	9.25%	Feb 27, 2022	25.00	CARE A; Stable
Debentures-Non Convertible Debentures-VIII	INE859C07097	Sep 18, 2020	9.25%	Mar 18, 2022	100.00	CARE A; Stable
Debentures-Non Convertible Debentures-IX	INE859C07105	Dec 31, 2020	9.20%	Jun 30, 2022	50.00	CARE A; Stable
Debentures-Non Convertible Debentures-X	Proposed	-	-	-	50.00	CARE A; Stable
Debt-Subordinate Debt	INE859C08079	Jan 19, 2021	13.25%	Jul 20, 2026	25.00	CARE A; Stable
Debentures-Market Linked Debentures	Proposed	-	-	-	30.00	CARE PP-MLD A; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	400.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	1)CARE A; Stable (04-Mar-19)
2	Commercial Paper	ST	-	-	-	-	1)Withdrawn (11-Mar-20) 2)CARE A1 (23-Aug-19)	1)CARE A1 (04-Mar-19)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20)	1)CARE A; Stable (04-Mar-19)
4	Fund-based - LT-Term Loan	LT	800.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	1)CARE A; Stable (04-Mar-19)
5	Non-fund-based -	ST	-	-	-	-	1)Withdrawn	1)CARE A1

	ST-Bank Guarantees						(01-Apr-19)	(04-Mar-19)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Oct-20)	1)CARE PP-MLD A; Stable (17-Mar-20)	1)CARE PP-MLD A; Stable (04-Mar-19)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (17-Mar-20)	1)CARE A; Stable (04-Mar-19)
8	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (17-Mar-20)	1)CARE A; Stable (04-Mar-19) 2)CARE A-; Stable (09-Jul-18)
9	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	-
10	Debentures-Non Convertible Debentures	LT	6.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (26-Jun-19)	-
11	Commercial Paper	ST	-	-	-	-	1)Withdrawn (11-Mar-20)	-
12	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A; Stable (12-Jun-20)	-	-
13	Debentures-Non Convertible Debentures	LT	125.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A; Stable (20-Jul-20)	-	-
14	Debentures-Non Convertible Debentures	LT	30.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A; Stable (24-Aug-20)	-	-
15	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
16	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
17	Debt-Subordinate Debt	LT	25.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
18	Debentures-Market Linked Debentures	LT	-	-	1)Provisional CARE PP-MLD A; Stable (25-	-	-	-

					Jun-21)			
19	Debentures-Market Linked Debentures	LT	30.00	CARE PP-MLD A; Stable				

Annexure-3: Details of Rated Facilities

1. Long-term Facilities

a. Term Loans

#	Name of Bank / Lender	Remarks	Amount Rs. Crore
1	State Bank of India	Term Loan	75.78
2	Bank of India	Term Loan	23.91
3	Union Bank of India	Term Loan	32.17
4	HDFC Bank Ltd.	Term Loan	23.11
5	Woori Bank	Term Loan	10.69
6	Union Bank of India	Term Loan	15.82
7	Andhra Bank	Term Loan	11.23
8	Bank of Maharashtra	Term Loan	15.00
9	Utkarsh Small Finance Bank	Term Loan	8.46
10	Ujjivan Small Finance Bank	Term Loan	2.52
11	AU Small Finance Bank	Term Loan	5.42
12	HDFC Bank Ltd.	Term Loan	3.16
13	Ujjivan Small Finance Bank	Term Loan	4.58
14	IndusInd Bank Ltd.	Term Loan	5.11
15	Bank of India	Term Loan	44.92
16	Central Bank of India	Term Loan	28.50
17	Federal Bank	Term Loan	13.75
18	State Bank of Maritius	Term Loan	18.33
19	HDFC Bank Limited	Term Loan	23.22
20	IDBI Bank Ltd.	Term Loan	18.75
21	HDFC Bank Limited	Term Loan	14.47
22	Suryoday Small Finance Bank	Term Loan	20.00
23	Bank of Maharashtra	Term Loan	25.00
24	SIDBI	Term Loan	120.00
25	Dhanalakshmi Bank	Term Loan	15.00
26	Proposed		221.10
	Total		**800.00**

b. Fund-based Limits

#	Name of Bank / Lender	Remarks	Amount Rs. Crore
1	Central Bank of India	CC/WCDL	95.00
2	Andhra Bank	CC/WCDL	77.00
3	Indian Overseas Bank	CC/WCDL	52.00
4	IDBI Bank Ltd.	CC/WCDL	20.00
5	Punjab National Bank	CC/WCDL	18.20
6	Federal Bank	CC/WCDL	15.00
7	HDFC Bank	CC/WCDL	10.00
8	DCB Bank	CC/WCDL	15.00
9	Yes Bank Ltd.	CC/WCDL	25.00
10	Proposed	-	72.80
	Total		**400.00**

Total Long-Term Facilities: Rs.1,200.00 crore

Total Facilities (1.A+ 1.B): Rs.1,200.00 crore

Annexure-4: Complexity level of various instruments rated for this company

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

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

		Detailed explanation
i	The capital adequacy ratio (as defined in NBFC regulation) shall be above 18% at all point of time	-
ii	The GNPA in a financial year shall not exceed 7% of the borrower's Gross loan portfolio	-
iii	The ratio of Financial Indebtedness to Equity shall not exceed 6x	-

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated

by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.
CARE's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings
Professional Risk Opinion

CARE/CRO/RL/2021-22/1253

Shri V.G.K. Prasad
Managing Director
IKF Finance Limited
40-1-144, 3rd floor, Corporate centre,
MG Road, Vijayawada
Andhra Pradesh (New) 500010

September 28, 2021

Confidential

Dear Sir,

Credit rating for proposed Principal protected market linked debenture issue

Please refer to your request for rating of proposed Principal protected market linked debenture issue aggregating to Rs.30 crore of your company. The proposed Principal protected market linked debenture would have tenure of upto 24 months.

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

S. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1	Principal Protected Market Linked Debenture issue (Proposed)	30	**CARE PP-MLD A; Stable** (Principal Protected - Market Linked Debenture Single A; Outlook: Stable)	Assigned
	Total Instruments	**30 (Rs. Thirty crore only)**		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is September 28, 2021).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457
Email: care@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax : +91-44-2849 7812

CIN-L67190MH1993PLC071691

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

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the subordinated debt issue, including the offer document and the trust deed.

7. The rationale of the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure - I. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by September 29, 2021, we will proceed on the basis that you have no any comments to offer.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

12. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours Faithfully,

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Lead Analyst
thamaraiselvan.m@careratings.com

Ravi Shankar R
Assistant Director
ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure-II

Press Release

IKF Finance Limited

Ratings

Facilities/Instruments	Amount (Rs. Crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	1,200 (enhanced from 1,065)	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Total Facilities	**1,200 (Rs. One thousand two hundred crore only)**		
Non-Convertible Debenture - I	-	-	Withdrawn
Non-Convertible Debenture - V	6 (reduced from 10.50)	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VI	50 (reduced from 100)	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VII	125	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - VIII	30	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - IX	50	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - X	50	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Subordinated Debt - I	25	CARE A; Stable [Single A; Outlook: Stable]	Reaffirmed
Principal Protected Market linked debenture	30	CARE PP-MLD A; Stable [Principal Protected - Market Linked Debenture Single A; Outlook: Stable]	Assigned
Total Long-term Instruments	**366 (Rs. Three hundred sixty-six crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities and various debt instruments of IKF Finance Limited (IKF) continue to derive strength from experienced promoters and management team with a balanced growth & risk policy adopted by the company, long and established track record of operations in the lending business with a strong brand image, seasoned and gradual growth in portfolio over the past several years, diversified resource & funding profile, well-defined credit and recovery policy with strong collection systems adopted, comfortable capital adequacy supported by periodic equity infusion and healthy profitability indicators.

The rating is constrained by regional concentration of the portfolio, relatively moderate scale of operations, inherent risks associated with its borrower profile mostly being self-employed in the informal segment, exposure to higher ticket SME Segment, moderate asset quality along with higher delinquencies in the softer buckets and competitive nature of industry.

CARE Ratings has withdrawn the rating assigned to the Non-Convertible debenture issue - I of IKF Finance Limited with immediate effect, as the company has repaid the aforementioned Non-Convertible debenture issue in full and there is no amount outstanding under the issue as on date.

Rating Sensitivities

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

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

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

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

- Deterioration in the asset equality with the GNPA above 6% and there by impacting profitability for an extended period
- Deviation of portfolio ageing from historical levels for an extended period
- Moderation of the capital structure with weakening of overall gearing ratio to more than 4.5 times on a sustainable basis
- Aggressive growth/migration of portfolio to segments which lack seasoning benefits
- Deviation in envisaged portfolio contribution from relatively riskier SME segment

Detailed description of the key rating drivers

Key Rating Strengths

Established track record and experienced management team

IKF has a long track record of about three decades in the vehicle financing segment. Mr V.G.K. Prasad (Managing Director) has established experience of more than three decades and the business operations of IKF have benefited from his long-established track record in the auto finance segment and the vast industry network developed over the years. He has also been associated with various other Industry Associations and has been the President of Federation of Indian Hire Purchase Associations (FIHPA). The second generation has taken over the business operations in a large way with Ms K Vasumathi Devi, Executive Director (daughter of Mr V.G.K. Prasad) handling Business, Credit, Collections, HR & IT operations. They are well supported by a team of qualified and experienced management team.

Well-defined credit policy and improving MIS system

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

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

Healthy profitability profile

During FY21, IKF reported a PAT of Rs.32 crore on a total income of Rs.204 crore as against a PAT of Rs.28 crore on a total income of Rs.206 crore during FY20 (refers to the period April 1 to March 31).

With the decline in yield on Advances from 17.17% in FY20 to 15.09% in FY21 and increased cash position maintained by the company, NIM moderated from 7.21% in FY20 to 6.12% in FY20. Owing to the lockdown because of Covid-19, opex to average total assets improved to 2.49% in FY21 from 2.78% in FY20. The improvement in opex ratio is also because of the increase in assets under management (AUM) per branch.

With the view of Covid-19, IKF has provided additional provision during FY20 and IKF has written back the provision amounting to Rs.4.30 crore during FY21. Because of the same, Credit cost improved from 1.26% in FY20 to 0.43% in FY21 despite higher write-off of Rs.10.74 crore in FY21 as against Rs.5.42 crore in FY20. The Return on total assets (ROTA) remained at 2.12% during FY21 as against 2.14% during FY20.

During Q1FY22, IKF reported a PAT of Rs.9 crore on a total income of Rs.54 crore as against a PAT of Rs.8 crore on a total income of Rs.53 crore during Q1FY21. NIM and ROTA during Q1FY22 stood at 6.15% and 2.15% as against 6.54% and 2.36% in Q1FY21.

Moderately diversified resource profile with inclination towards banks

Bank borrowings was the key source of funding for IKF and the company has a cash credit limits of Rs.287 crore from various banks as on June 30, 2021. IKF has raised Rs.100 crore under TLTRO 2.0 and Rs.205 crore under PCG 2.0 during FY21 and because of the same, bank borrowings (TL, CC and NCD) increased significantly from 63% as on March 31, 2020 to 81% as on March 31, 2021.

Borrowings as term loan from banks and non-banking finance companies (NBFC) & FI stood at 35.45% and 7.57% as on March 31, 2021 as against 42.55% and 12.33% as on March 31, 2020. Share of Cash Credit from the banks stood at 21.11%

as on March 31, 2021, as against 20.09% as on March 31, 2020. Borrowings through NCD, Sub-debt and PTC stood at 26.86%, 3.59% and 5.43% as on March 31, 2021 as against 5.78%, 4.71% and 14.55%, respectively.
As on June 30, 2021, Term loan from the banks and NBFC & FI stood at 35.65% and 6.47%, followed by cash credit (26.21%), NCD (23.92%), PTC (3.90%) and Sub-debt (3.85%).

Comfortable capitalization
Aided by regular capital infusion by the promoters and PE investors, over the last few years, IKF has been able to maintain capital adequacy at comfortable levels.
With the equity infusion of Rs.10 crore from the promoters and moderate portfolio growth in FY21, CAR and Tier I CAR has improved to 23.66% and 21.50% as on March 31, 2021 from 21.19% and 19.54% as on March 31, 2020. Furthermore, during FY21, IKF has raised subordinated debt of Rs.25 crore, and because of the same, Tier II Capital has also improved. Overall gearing as on March 31, 2021, stood at 3.71x as against 3.62% as on March 31, 2020.
With Nil growth in AUM during Q1FY22 and internal accruals, CAR and Tier I CAR improved further to 24.54% and 22.03% as on June 30, 2021 with a gearing of 3.36x.

Key Rating Weaknesses
Modest scale of operations
IKF has been in the vehicle finance business since 1991, despite having a track record close to three decades, the size of operation remained moderate with an AUM of Rs.1,489 crore as on March 31, 2021. Though being modest in size, the company has been able to register continuous growth with comfortable capitalization.
Over the last three years ended March 31, 2021, IKF has grown at a compound annual growth rate (CAGR) of 13% from Rs.1,032 crore as on March 31, 2018 to Rs.1,489 crore as on March 31, 2021 (PY: Rs.1,315 crore), including a reported growth of 13% during FY21.
Disbursements during FY21 moderated to Rs.595 crore from Rs.745 crore during FY20 majorly because of disruptions in business operation on account of Covid-19. It is to be noted that 75% of the FY21 disbursements was made during H2FY21.
AUM as on March 31, 2021, is mainly spread across four major products, namely, Commercial Vehicle (CV 33.00%), Construction Equipment (16.96%), CARs and MUVs (20.96%) and SME segment (13.72%) which together account for 85% of AUM. The company has largely a seasoned portfolio with long presence in CV segment. Hence, any large deviation from same to any other asset class would be a key monitorable.

Geographical concentration of portfolio
IKF expanded its operations over the last few years by setting up branches in new geographies and the company is operating in nine states covering Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan through 82 branches (as on March 31, 2021). Nevertheless, the portfolio is concentrated in South India (5 states) with 66% of the AUM as on March 31, 2021 as against 70% of AUM as on March 31, 2020. Home state of IKF, Andhra Pradesh and Telangana constituted around 50% of the AUM as on March 31, 2021, against 56% as on March 31, 2020.
IKFs portfolio is expected to remain concentrated in the south India states, especially in Andhra and Telangana in the medium term. Also, the company has added seven new branches in FY21 majorly in Andhra Pradesh and Telangana region. The ability of the company to manage the growing scale of operations and operational efficiencies as it opens new branches/enters new geographies to grow the portfolio while maintaining good asset quality would be a key rating factor.

Exposure to SME Financing
IKF had been expanding its presence in the SME financing segment over the last few years, with the same contributing 13.72% of the AUM as on March 31, 2021 (PY: 16.73%) reduced from 21.80% as on March 31, 2019, in line with the management strategy to reduce the exposure. The management as per its strategy has been reducing the exposure which along with higher advances being given by the banks to SME segment at relatively better rates has also reduced the proportion of SME financing. For IKF, the segment is backed by high security cover of about 1.4x (primary and collateral put together).

Moderate asset quality characterized by high delinquency in softer buckets
Gross and Net Stage III slightly increased from 2.69% and 1.97% as on March 31, 2020 to 2.98% and 2.19% as on March 31, 2021, despite higher write-off of Rs.10.74 crore during FY21 (PY: Rs.5.42 crore). Provision coverage stood at 28.25% as on March 31, 2021 as against 28.78% as on March 31, 2020. Further, over the last 5 years the company was able to recover around 75-80% of the opening NPAs within one-year, by any of the methods such as up gradation, pre-closure or sale of

reposed vehicles. 90+ of products such as Cars & MUVs, CVs have increased significantly during FY21 from 2.36% and 1.55% as on March 31, 2020, to 3.84% and 3.51% as on March 31, 2021.

Delinquency in the softer buckets continue to remain high. Stage II Assets, moderated from 34.58% as on March 31, 2020 to 39.74% as on March 31, 2021. However, with the company's better collection efforts and repossession activities, 90+ of IKF continues to remain under control.

With the outbreak of second wave of Covid-19, Gross and Net Stage III increased further to 3.88% and 2.96% as on June 30, 2021. Provision coverage as on June 30, 2021, stood at 25.51%.

Impact of Covid-19

During the first wave of Covid-19, collection efficiency (total collection / monthly demand) moderated to a low of 17% during April 2021 and it regained to 100% in September 2020. However, During the second wave of COVID-19, it moderated to a low of 87% and 90% in April and May 2021 and it regained immediately to 106% in June 2021. The complete impact on asset quality and profitability because of the second wave remains to be seen. IKF's performance post first wave in controlling 90+ and liquidity position adds comfort.

Industry Outlook and Prospects

CV sector was expected to face challenges as lesser movement of vehicles translated to weak earnings for fleet operators in the beginning of FY22. Construction equipment and MHCVs involved in transporting of non-essential commodities and construction are likely to face revenue losses during the lockdown period. However, in view of the GoI's push to ensure the supply of essential commodities, it is expected that vehicles involved in transporting essential commodities will be able to continue the business. Thus, a large portion of LCVs (used in intra-state movement) and some portion of MHCVs (used in inter-state movement) are expected to be functional during the lockdown. However, the impact due to lower industrial and infrastructure-related activities could be adverse on this segment.

Financiers who provide loans to MSME units generally tend to rely on assessment of the estimated (surrogate) cash flows and offer loans at high yield. Lockdowns, disruptions in the supply chain and impact on large industries would increase immediate delinquencies in this segment. However, secured MSME loans with collateral security (Property, machinery, etc.) and longer tenure may have the time for eventual recovery and may be more immune to the economic shocks compared to unsecured ones. The impact could vary across sub-segments and ticket sizes.

The outlook for NBFCs and HFCs has turned negative due to Covid-19 outbreak. The sector which grappled with liability side disruptions could see another wave of challenges, this time in the form of asset quality. While asset quality of NBFCs has witnessed moderation in FY20 and FY21, the impact of second wave of COVID-19 on the asset quality remains to be seen.

Liquidity: Adequate

IKF's ALM stood adequate with no negative cumulative mismatch in any of the time buckets upto 1 year as on June 30, 2021 due to the relatively short nature of its loans as against longer tenure of its borrowings. As on July 31, 2021, the company has unavailed lines of credit (including unutilized CC of Rs.32 crore) of Rs.207 crore and assets available for securitisation stood at Rs.150 crore.

During FY21, IKF has availed Rs.175 crore through Term Loan, Rs.305 crore through NCD (under TLTRO 2.0 and PCG) and Rs.35 crore WCDL facility from banking system, Rs.75 crore from SIDBI and Rs.25 crore through Sub-debt from a NBFC. The ability of the company to mobilize funds from the banks at a competitive rate with improved incremental cost of borrowings adds comfort.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings
CARE's Policy on Default Recognition
Financial Ratios-Financial Sector
CARE's Rating Methodology for Non-Banking Finance Companies (NBFCs)
Rating Methodology - Market linked Notes
Policy on Withdrawal of Ratings

About the Company

Incorporated in 1991 as Indra Keela Financiers Private Limited, IKF is registered as an asset financing company and non-deposit taking NBFC with RBI, and is primarily engaged in the business of vehicle and SME segment financing. The company

also provides loan to smaller NBFCs. As on March31, 2021, IKF has presence across nine states viz. Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan through 82 branches and an employee base of 615.

The company is promoted by Mr V.G.K. Prasad (Managing Director), who has more than three decades of experience in the industry. As on March 31, 2021, Promoters hold 56.17% followed by two funds (India Business Excellence Fund II - 14.82% and IIA- 24.78%) managed by Motilal Oswal Private Equity (MOPE), the Private Equity (PE) arm of Motilal Oswal Financial Services Limited and the rest by others.

IKF has a subsidiary, IKF Home Finance Limited (IKFHF), with a shareholding of 84.31% (rest by the promoters) as on March 31, 2021. It is primarily engaged in providing home loan products/refinance solutions with an AUM of Rs.288 crore and a branch network of 23 spread across 5 states as on March 31, 2021.

Brief Financials (Rs. Crore)	FY20 (A)	FY21 (A)
Total Operating Income	206	204
PAT	28	32
Interest Coverage (Times)	1.33	1.38
Total Assets	1,380	1,623
Net NPA/stage III (%)	1.97	2.19
ROTA (%)	2.14	2.12

A - Audited

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History for last three years: Please refer Annexure-2
Complexity level of various instruments: Please refer Annexure-3
Covenants of rated instrument / facility: Please refer Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	Mar 2026	800.00	CARE A; Stable
Fund-based - LT-Cash Credit	-	-	-	-	400.00	CARE A; Stable
Debentures-Non Convertible Debentures-I	-	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures-V	INE859C08046	Jun 25, 2019	12.15%	Jun 24, 2022	6.00	CARE A; Stable
Debentures-Non Convertible Debentures-VI	INE859C07063	Jul 22, 2020	10.25%	Apr 21, 2023	50.00	CARE A; Stable
	INE859C07055	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures-VII	INE859C07071	Aug 20, 2020	9.10%	Feb 20, 2022	30.00	CARE A; Stable
	INE859C07089	Aug 27, 2020	9.25%	Feb 27, 2022	25.00	CARE A; Stable
Debentures-Non Convertible Debentures-VIII	INE859C07097	Sep 18, 2020	9.25%	Mar 18, 2022	100.00	CARE A; Stable
Debentures-Non Convertible Debentures-IX	INE859C07105	Dec 31, 2020	9.20%	Jun 30, 2022	50.00	CARE A; Stable
Debentures-Non Convertible Debentures-X	Proposed	-	-	-	50.00	CARE A; Stable
Debt-Subordinate Debt	INE859C08079	Jan 19, 2021	13.25%	Jul 20, 2026	25.00	CARE A; Stable
Debentures-Market Linked Debentures	Proposed	-	-	-	30.00	CARE PP-MLD A; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in	Date(s) & Rating(s) assigned in	Date(s) & Rating(s) assigned in	Date(s) & Rating(s) assigned in

					2021-2022	2020-2021	2019-2020	2018-2019
1	Fund-based - LT-Cash Credit	LT	400.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	1)CARE A; Stable (04-Mar-19)
2	Commercial Paper	ST	-	-	-	-	1)Withdrawn (11-Mar-20) 2)CARE A1 (23-Aug-19)	1)CARE A1 (04-Mar-19)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20)	1)CARE A; Stable (04-Mar-19)
4	Fund-based - LT-Term Loan	LT	800.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	1)CARE A; Stable (04-Mar-19)
5	Non-fund-based - ST-Bank Guarantees	ST	-	-	-	-	1)Withdrawn (01-Apr-19)	1)CARE A1 (04-Mar-19)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Oct-20)	1)CARE PP-MLD A; Stable (17-Mar-20)	1)CARE PP-MLD A; Stable (04-Mar-19)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (17-Mar-20)	1)CARE A; Stable (04-Mar-19)
8	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (17-Mar-20)	1)CARE A; Stable (04-Mar-19) 2)CARE A-; Stable (09-Jul-18)
9	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (01-Apr-19)	-
10	Debentures-Non Convertible Debentures	LT	6.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20)	1)CARE A; Stable (17-Mar-20) 2)CARE A; Stable (26-Jun-19)	-
11	Commercial Paper	ST	-	-	-	-	1)Withdrawn (11-Mar-20)	-
12	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A; Stable (12-Jun-20)	-	-
13	Debentures-Non Convertible Debentures	LT	125.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A;	-	-

						Stable (20-Jul-20)		
14	Debentures-Non Convertible Debentures	LT	30.00	CARE A; Stable	-	1)CARE A; Stable (07-Oct-20) 2)CARE A; Stable (24-Aug-20)	-	-
15	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
16	Debentures-Non Convertible Debentures	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
17	Debt-Subordinate Debt	LT	25.00	CARE A; Stable	-	1)CARE A; Stable (31-Dec-20)	-	-
18	Debentures-Market Linked Debentures	LT	-	-	1)Provisional CARE PP-MLD A; Stable (25-Jun-21)	-	-	-
19	Debentures-Market Linked Debentures	LT	30.00	CARE PP-MLD A; Stable				

Annexure-3: Complexity level of various instruments rated for this company

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

Annexure-4: Detailed explanation of covenants of the rated instrument / facilities

		Detailed explanation
i	The capital adequacy ratio (as defined in NBFC regulation) shall be above 18% at all point of time	-
ii	The GNPA in a financial year shall not exceed 7% of the borrower's Gross loan portfolio	-
iii	The ratio of Financial Indebtedness to Equity shall not exceed 6x	-

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

CARE's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

IDBI trustee

No. 33187/ITSL/OPR/CL/21-22/DEB
September 28, 2021
IKF Finance Limited
Door No. 40-1-144, Corporate Centre,
M. G. Road, Vijayawada - 520 010,
Andhra Pradesh

Kind Attn: Mr. Chandra Sekhar Paruchuri

Dear Sir,

Consent to act as Debenture Trustee for the issue of rated, listed, unsecured, redeemable, non-convertible debentures of the face value of Rs. 10,00,000/- (Rupees ten lakhs only) each ("Debentures"/ "NCDs") aggregating upto Rs. 30,00,00,000/- (Rupees Thirty crores only)

This is with reference to your e-mail dated September 22, 2021 regarding appointment of IDBI Trusteeship Services Limited ("***ITSL***") as Debenture trustee for the proposed issue of NCDs. In this connection, we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as Debenture Trustee in the disclosure document/ listing application/ any other document to be filed with the Stock Exchange(s) subject to the following conditions.

1) The Company hereby agree and undertakes to execute, the Debenture Trust Deed/ Debenture Trustee Agreement and other necessary documents on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document as approved by the Debenture Trustee, within a period as per applicable law.

2) The Company hereby agree & undertakes to pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as mutually agreed for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other applicable documents, till the monies in respect of the Debentures have been fully paid-off.

3) The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI Circular on Uniform Listing Agreement dated October 13th, 2015; SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020 and Companies Act, 2013, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,

For **IDBI Trusteeship Services Limited**

GAURAV MODY
Digitally signed by GAURAV MODY
Date: 2021.09.28 18:35:30 +05'30'

Authorised Signatory

For IKF Finance Limited

CHAPALAMADUGU SREENIVASA RAO

Authorised Signatory

ANNEXURE IV: APPLICATION FORM

[attached separately]

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The audited financial statements of the Issuer for the year ended 31.03.2019, 31.03.2020 and 31.03.2021, are provided below:

AUDITED FINANCIAL STATEMENTS FOR FY 2020-21:

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of IKF Finance Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of IKF Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA), as specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("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 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.

Emphasis of matter

We draw attention to Note 45 to the standalone financial statements, which describes the uncertainties relating to the impact of COVID-19 pandemic on the Company's operations and financial metrics. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2021. 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone 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 standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) (as described in Note 2.4.c, 2.6.f & 6 of the standalone financial statements)	
IND AS 109 requires the company to provide for impairment of its financial assets as at reporting date using the expected credit loss (ECL) model. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering	Our audit procedures included but were not limited to: • Read and assessed the Company's accounting policy for impairment of financial assets and its

reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of Company's financial assets (loan portfolio). In the process, a significant degree of judgement has been applied by management including but not limited to the following matters; • Staging of financial assets (i.e. classification of loan book in 'significant increase in credit risk ("SICR")' and 'default categories'); • Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products; • Grouping of loan portfolio under homogeneous pools in order to determine probability of default on collective basis; • Estimation of losses for loan products with no/ minimal historical defaults; and • Estimation of management overlay for macro-economic factors which could impact credit quality of the loans. **Additional considerations on account of COVID-19** Pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Resolution Framework for COVID-19-related Stress" ("RBI circulars") allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions and pursuant to RBI circular dated March 27, 2020 and May 23, 2020 ("RBI Circulars") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic and related events, it is a key audit matter.	compliance with IND AS 109 and the governance framework approved by the Board of Directors pursuant to the Reserve Bank of India guidelines issued on March 13, 2020. • Tested the design and operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present, requiring them to be classified under stage 2 or 3. • Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 including second wave on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium and rescheduleement/ restructuring of loans in accordance with the regulations issued in this respect. • We performed procedures to test the inputs used in the ECL computation, on a sample basis. • Tested assumptions used by the management in determining the overlay of macro-economic factors, including COVID-19 pandemic. • Tested the arithmetical accuracy of computation of ECL provision, performed by the Company in spreadsheets. • Assessed adequacy of the disclosures included in the standalone financial statements in respect of expected credit losses, including the specific disclosures made with regards to the management's evaluation of uncertainties arising from COVID-19 and its impact on ECL estimation.

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Chartered Accountants

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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. We have nothing to report in this regard.

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.

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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 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 standalone 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 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 for the financial year ended March 31, 2021 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, 2016 ("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 1 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;

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

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Chartered Accountants

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company does not have any pending litigations which would impact its financial position;

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

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

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 21103380AAAACB5574
Place of Signature: Mumbai
Date: June 26, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Re: IKF Finance Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loan to one party covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest.

(b) The Company has granted loan to one party covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loan granted and the repayments/receipts are regular.

(c) There is no amount of loan granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which is overdue for more than ninety days.

(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.

(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.

(vii) (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 though there have been slight delays in payment of tax deducted at source in few cases. 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, 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.

(c) According to the information and explanation given to us there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute. As informed, the provisions of service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are not applicable to the Company.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, 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 standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 21103380AAAACB5574
Place of Signature: Mumbai
Date: June 26, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

ANNEXURE 2 REFERRED TO IN PARAGRAPH 2(f) 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 over financial reporting of IKF Finance Limited ("the Company") as of March 31, 2021, 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 over financial reporting 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 standalone 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 standalone 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 standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting with reference to these standalone financial statement s is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 asset s of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

S.R. BATLIBOI & CO. LLP MUMBAI Chartered Accountants

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

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

Opinion

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

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 21103380AAAACB5574
Place of Signature: Mumbai
Date: June 26, 2021

IKF Finance Limited
Balance Sheet as at March 31, 2021
(Currency : INR in lakhs)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	11,793.26	2,485.62
(b) Bank Balance other than included in (a) above	4	3,964.82	1,774.93
(c) Receivables			
(i) Trade receivables	5	49.39	23.96
(d) Loans	6	1,40,161.15	1,26,087.64
(e) Investments	8	4,525.10	4,525.10
(f) Other financial assets	7	969.15	340.92
		1,61,462.89	1,37,147.97
(2) Non-financial assets			
(a) Current Tax Assets (Net)	29	217.94	156.56
(b) Deferred Tax Assets (Net)	11	-	344.61
(c) Investment Property	10	6.47	6.64
(d) Property, Plant and Equipment	10	249.52	272.40
(e) Right of use asset	12	24.77	63.55
(f) Intangible assets	9	179.57	178.39
(g) Other non-financial assets		382.01	328.18
		1,042.28	1,350.33
Total assets		1,62,505.17	1,38,538.30
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables			
(I)Trade payables and other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	13	33,687.94	6,109.76
(c) Borrowings (other than debt securities)	14	85,755.89	93,150.90
(d) Subordinated Liabilities	15	5,986.79	6,450.76
(e) Other financial liabilities	16	2,670.12	2,738.86
		1,28,100.74	1,08,450.28
(2) Non-financial liabilities			
(a) Provisions	17	275.54	208.48
(b) Deferred tax liabilities (Net)	29	27.12	-
(c) Other non-financial liabilities	18	112.08	118.69
		414.74	327.17
EQUITY			
(a) Equity share capital	19	5,167.49	5,027.64
(b) Other equity	20	28,822.20	24,733.21
		33,989.69	29,760.85
Total liabilities and equity		1,62,505.17	1,38,538.30

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Significant accounting policies and key accounting estimates and judgments
The accompanying notes form an integral part of the standalone financial statements
As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number : 301009E/E300005

Jay Bansilal Ranawat
Partner
Membership No.105368
Place: Mumbai
Date: June 26, 2021

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65923AP1991PLC012799

V.G.K Prasad
Director
DIN: 01817992

V.Indira Devi
Whole Time Director
DIN: 03161174

Sneha Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: June 26, 2021

IIKF Finance Limited

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : INR in lakhs)

Particulars	Note No	Year ended March 31, 2021	Year ended March 31, 2020
Revenue From operations			
(i) Interest income	21	20,295.71	20,440.51
(ii) Fees and commission income	22	110.92	128.56
(I) Total revenue from operations		20,406.63	20,569.07
(II) Other income	23	16.29	19.22
(III) Total income (I + II)		20,422.92	20,588.29
Expenses			
(i) Finance costs	24	11,609.00	11,551.63
(ii) Impairment on financial instruments	25	647.15	1,634.74
(iii) Employee benefits expenses	26	2,621.34	2,505.30
(iv) Depreciation, amortization and impairment	27	144.14	149.12
(v) Others expenses	28	981.02	953.75
(IV) Total expenses		16,002.65	16,794.54
(V) Profit before tax (III - IV)		4,420.27	3,793.75
(VI) Tax Expense:			
(1) Current Tax	29	795.96	1,229.39
(2) Deferred Tax	29	368.34	(211.14)
(3) Adjustment of tax relating to earlier periods	29	65.46	2.13
		1,229.76	1,020.38
(VII) Profit for the period (V-VI)		3,190.51	2,773.37
(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	30	13.44	(4.76)
Income tax relating to items that will not be reclassified to profit or loss		(3.38)	1.20
Other comprehensive income / (loss)		10.06	(3.56)
(IX) Total comprehensive income for the period (VII + VIII)		3,200.57	2,769.81
(X) Earnings per share (equity share, par value of Rs.10 each)			
Basic	31	6.35	5.52
Diluted	31	6.34	5.51

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Significant accounting policies and key accounting estimates and judgments

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

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

per Jitendra M. Kanawat
Partner
Membership No.103380

Date: June 26, 2021
Place: Mumbai

For and on behalf of the Board of Directors of
IIKF Finance Limited
CIN: U65992AP1995PLC012736

V.G.K Prasad
Director
DIN: 01817992

V.Indira Devi
Whole Time Director
DIN: 03161174

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: June 26, 2021

IKF Finance Limited

Cash Flow statement for the year ended March 31, 2021

(Currency : INR in lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,420.27	9,793.75
Adjustments for:		
Depreciation, amortisation and impairment	144.14	149.12
Interest income	(20,299.73)	(20,449.53)
Interest expense	11,639.00	11,503.63
Impairment on financial instruments	647.15	1,614.74
Share based payment expense	13.09	17.56
Provision for expenses	4.83	5.03
Employee benefit expenses	95.26	86.54
Rental income on investment property	(6.16)	(7.65)
(Profit)/ Loss on sale of property, plant and equipment	(0.14)	5.03
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	(3,365.47)	(3,208.74)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(28.52)	85.76
Decrease / (Increase) in loans	(21,681.13)	(14,176.37)
(Increase / (Increase) in bank balances other than cash and cash equivalents	(189.89)	(142.92)
Decrease / (Increase) in other financial assets	(201.13)	3.27
Decrease / (Increase) in other non-financial assets	(53.43)	69.82
(Decrease)/ Increase in other financial liabilities	(32.01)	(1,247.78)
(Decrease) / Increase in provisions	(17.74)	(21.96)
(Decrease) / Increase in other non-financial liabilities	(6.61)	(28.44)
	17,258.35	19,904.09
Interest received	(10,176.08)	(10,120.73)
Interest paid	(10,582.86)	(9,674.53)
Income tax paid (net of refunds)	(212.80)	(1,130.62)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(10,604.80)	(10,805.15)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35.46)	(55.00)
Rental income on investment property	6.36	7.63
Proceeds from sale of property, plant and equipment	0.54	0.19
Purchase of intangible assets	(31.99)	(72.63)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(58.54)	(120.81)
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	1,035.18	-
Amount received from debt securities	16,500.00	5,000.00
Repayment of debt securities	(1,300.00)	(11,611.11)
Amount received from borrowings other than debt securities	19,730.00	19,267.06
Repayment of borrowings other than debt securities	(12,548.05)	(22,806.71)
Amount received from subordinated liabilities	2,000.00	2,000.00
Repayment of subordinated debt	(3,000.00)	-
Payment of principal portion of lease liabilities	(41.45)	(41.37)
Payment of interest on lease liabilities	(6.77)	(6.55)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	10,910.99	12,044.92
Net Increase / (Decrease) in Cash and Cash Equivalents	8,307.66	1,132.96
Cash and Cash Equivalents at the beginning of Year	2,485.62	1,372.66
Cash and Cash Equivalents at the end of the Year	11,793.28	2,485.62

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. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Jayesh H. Tanwani
Partner
Membership No.103380

Date: June 26, 2021
Place: Mumbai

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65929AP1993PLC017758

V. Indira Devi
Whole Time Director
DIN 09362376

Sreepal Jain
Chief Financial Officer

Ch.Srinivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: June 26, 2021

AUDITED FINANCIAL STATEMENTS FOR FY 2019-20:

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of IKF Finance Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of IKF Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive loss its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 47 to the Standalone Ind AS financial statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers, investments, deferred taxes which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

The annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS 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 Standalone Ind AS 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 Company has adequate internal financial controls system 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 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements - Refer Note 37 to the Standalone Ind AS 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.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

JITENDRA HIRACHAND RANAWAT

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 20103380AAAABT4443
Mumbai
Date: July 10, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Re: IKF Finance Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) Property, plant and Equipment have not been physically verified by the management during the year due to the national lockdown declared by the by Government of India due to outbreak of Novel Corona Virus (COVID-19) hence, we are unable to comment on the discrepancies, if any.

(c) According to the information and explanations given by the management, the title deed of immovable property included in Investment Property is held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(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.

(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 products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases. The provisions relating to customs duty are not applicable to the Company.

(b) 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, and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to customs duty are not applicable to the Company.

(c) According to the information and explanation given to us the dues outstanding of income tax, goods and service tax and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rupees)	Amount paid* (Rupees)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14,30,979	-	AY 2017-18	The Commissioner of Income Tax (Appeals)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, 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 standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. BATLIBOI & CO. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

JITENDRA HIRACHAND RANAWAT

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 20103380AAAABT4443
Mumbai
Date: July 10, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

ANNEXURE 2 REFERRED TO IN PARAGRAPH 2(f) 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 over financial reporting of IKF Finance Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS 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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

over financial reporting with reference to these Standalone Ind AS 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 Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. BATLIBOI & CO. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

JITENDRA HIRACHAND RANAWAT

Digitally signed by JITENDRA HIRACHAND RANAWAT
DN: cn=JITENDRA HIRACHAND RANAWAT, c=IN, o=Personal, email=jitendra.ranawat@srb.in
Date: 2020.07.10 21:44:50 +05'30'

per Jitendra H. Ranawat
Partner
Membership Number: 103380
UDIN: 20103380AAAABT4443
Mumbai
Date: July 10, 2020

IKF Finance Limited
Balance Sheet as at March 31, 2020
(Currency : INR in lakhs)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	3	2,485.62	1,372.66	3,067.88
(b) Bank Balance other than included in (a) above	4	3,774.93	3,632.01	5,578.15
(c) Receivables				
(i) Trade receivables	5	23.96	135.42	130.43
(d) Loans	6	1,26,010.88	1,09,462.92	71,886.14
(e) Investments	8	4,525.10	4,525.10	-
(f) Other financial assets	7	340.92	1,226.38	3,418.66
		1,37,161.41	1,20,354.49	84,081.26
(2) Non-financial assets				
(a) Current Tax Assets (Net)		156.56	345.89	410.72
(b) Deferred Tax Assets (Net)	29	344.61	132.27	-
(c) Investment Property	11	6.64	6.81	6.98
(d) Property, Plant and Equipment	10	272.40	287.75	329.28
(e) Right of use asset	10	63.55	91.59	16.46
(f) Intangible assets	12	178.39	141.14	70.67
(g) Other non-financial assets	9	354.74	418.01	380.28
		1,376.89	1,423.46	1,214.39
Total assets		1,38,538.30	1,21,777.95	85,295.65
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	6,109.76	12,609.31	16,976.68
(c) Borrowings (other than debt securities)	14	93,150.90	72,788.63	33,688.92
(d) Subordinated Liabilities	15	6,450.76	4,525.83	7,011.99
(e) Other financial liabilities	16	2,738.86	4,505.98	4,889.84
		1,08,450.28	94,429.75	62,567.43
(2) Non-financial liabilities				
(a) Current tax liabilities (Net)		-	88.44	93.23
(b) Provisions	17	208.48	139.15	68.61
(c) Deferred tax liabilities (Net)	29	-	-	821.30
(d) Other non-financial liabilities	18	118.69	147.13	104.15
		327.17	374.72	1,087.29
EQUITY				
(a) Equity share capital	19	5,027.64	5,027.64	4,692.48
(b) Other equity	20	24,733.21	21,945.84	16,948.45
		29,760.85	26,973.48	21,640.93
Total liabilities and equity		1,38,538.30	1,21,777.95	85,295.65

Significant accounting policies and key accounting estimates and judgments 2
The accompanying notes form an integral part of the standalone financial statements
As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

JITENDRA HIRACHAND RANAWAT

per Jitendra H. Ranawat
Partner
Membership No.103380
Place: Mumbai
Date: 10-07-2020

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

V.G.K Prasad
Managing Director
DIN: 01817992

V.Indira Devi
Whole Time Director
DIN: 03161174

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: 10-07-2020

IKF Finance Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Currency : INR in lakhs)

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	21	20,567.97	15,500.11
(ii) Fees and commission income	22	1.10	5.33
(I) Total revenue from operations		20,569.07	15,505.44
(II) Other income	23	19.22	26.68
(III) Total income (I + II)		20,588.29	15,532.12
Expenses			
(i) Finance costs	24	11,551.63	8,487.93
(ii) Impairment on financial instruments	25	1,634.74	1,117.30
(iii) Employee benefits expenses	26	2,505.30	2,264.03
(iv) Depreciation, amortization and impairment	27	149.12	122.42
(v) Others expenses	28	953.75	1,085.81
(IV) Total expenses		16,794.54	13,077.49
(V) Profit before tax (III - IV)		3,793.75	2,454.63
(VI) Tax Expense:			
(1) Current Tax	29	1,229.39	1,531.57
(2) Deferred Tax	29	(211.14)	(953.92)
(3) Adjustment of tax relating to earlier periods	29	2.13	60.42
		1,020.38	638.07
(VII) Profit for the period (V-VI)		2,773.37	1,816.56
(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	30	(4.76)	1.15
Income tax relating to items that will not be reclassified to profit or loss		1.20	(0.34)
Other comprehensive income / (loss)		(3.56)	0.81
(IX) Total comprehensive income for the period (VII + VIII)		2,769.81	1,817.37
(X) Earnings per share (equity share, par value of Rs.10 each)			
Basic	31	5.52	3.83
Diluted	31	5.51	3.83

Significant accounting policies and key accounting estimates and judgments 2

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

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

JITENDRA HIRACHAND RANAWAT

per Jitendra H. Ranawat
Partner
Membership No.103380

Date: 10-07-2020
Place: Mumbai

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

V.G.K Prasad
Managing Director
DIN: 01817992

V.Indira Devi
Whole Time Director
DIN: 03161174

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: 10-07-2020

IKF Finance Limited
Cash Flow statement for the year ended March 31, 2020
(Currency : INR in lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,793.75	2,454.63
Adjustments for:		
Depreciation, amortisation and impairment	149.12	122.42
Interest income	(20,567.97)	(15,500.11)
Interest expenses	11,551.63	8,487.93
Impairment on financial instrument	1,634.74	1,117.30
Lease equalisation	-	(6.86)
Share based payment expense	17.56	-
Provision for expenses	5.03	-
Employee benefit expenses	86.54	78.05
Rental income on investment property	(7.63)	(7.63)
Loss on sale of property, plant and equipment	3.03	13.24
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	(3,334.20)	(3,241.02)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	85.76	(4.99)
Decrease / (Increase) in loans	(14,149.75)	(26,659.82)
Decrease / (Increase) in bank balances other than cash and cash equivalents	(142.92)	1,946.14
Decrease / (Increase) in other financial assets	9.27	(9.47)
Decrease / (Increase) in other non-financial assets	63.27	(37.73)
(Decrease) / Increase in trade payables	-	-
(Decrease) / Increase in other financial liabilities	(1,747.77)	(452.63)
(Decrease) / Increase in provisions	(21.96)	(6.36)
(Decrease) / Increase in other non-financial liabilities	(28.44)	42.98
Interest received	19,722.44	16,951.89
Interest paid	(10,130.21)	(8,256.78)
	(9,674.52)	**(19,727.78)**
Income tax paid (net of refunds)	(1,130.62)	(1,531.96)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(10,805.14)**	**(21,259.74)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(56.00)	(38.41)
Rental income on investment property	7.63	7.63
Proceeds from sale of property, plant and equipment	0.19	0.41
Purchase of intangible assets	(72.63)	(95.63)
Purchase of investments measured at cost	-	(4,525.10)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(120.81)**	**(4,651.09)**
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	-	1,015.18
Amount received from debt securities	5,000.00	6,000.00
Repayment of debt securities	(11,611.11)	(10,383.86)
Amount received from borrowings other than debt securities	39,307.06	44,286.82
Repayment of borrowings other than debt securities	(22,606.71)	(16,670.03)
Amount received from subordinated Liabilities	2,000.00	(0.00)
Payment of principal portion of lease liabilities	(41.37)	(25.42)
Payment of interest on lease liabilities	(8.95)	(7.07)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**12,038.92**	**24,215.62**
Net Increase / (Decrease) in Cash and Cash Equivalents	**1,112.96**	**(1,695.21)**
Cash and Cash Equivalents at the beginning of Year	1,372.66	3,067.88
Cash and Cash Equivalents at the end of the Year	2,485.62	1,372.66

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

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005
JITENDRA HIRACHAND RANAWAT
per Jitendra H. Ranawat
Partner
Membership No.103380

Date: 10-07-2020

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736
GOPALA KISHAN PRASAD VUPPUTURI
INDIRA DEVI VUPPUTURI
V.G.K Prasad
Managing Director
DIN: 01817992
V.Indira Devi
Whole Time Director
DIN: 03161174
SREEPAL GULABCHAND JAIN
Sreepal Jain
SRINIVASA RAO CHAPALAMADUGU
Ch.Sreenivasa Rao

AUDITED FINANCIAL STATEMENTS FOR FY 2018-19:

IKF Finance Limited

Balance Sheet as at March 31, 2019

(Amount in Rupees unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
Equity and liabilities			
Shareholders' funds			
Share capital	3	502,764,105	664,560,198
Reserves and surplus	4	2,196,137,295	1,578,035,710
		2,698,901,400	**2,242,595,908**
Non-current liabilities			
Long-term borrowings	5	3,558,522,359	2,900,013,769
Other long-term liabilities	7	40,458,001	39,420,141
Long-term provisions	8	108,407,564	79,709,560
		3,707,387,924	**3,019,143,470**
Current liabilities			
Short-term borrowings	9	1,688,519,904	1,104,335,537
Other current liabilities	10	3,041,126,869	2,003,834,626
Short-term provisions	8	30,987,748	19,848,670
		4,760,634,521	**3,128,018,833**
TOTAL		**11,166,923,845**	**8,389,758,211**
Assets			
Non-current assets			
Fixed assets			
Property, plant & equipment	11	29,455,945	33,626,695
Intangible assets	12	14,112,791	7,066,680
Deferred tax assets (net)	6	12,588,763	9,986,580
Non-current investments	13	452,509,628	-
Long-term loans and advances	14	6,093,492,094	4,961,821,004
Other non-current assets	15	130,704,889	88,536,504
		6,732,864,110	**5,101,037,463**
Current assets			
Trade receivables	16	13,541,597	10,565,709
Cash and bank balances	17	376,526,814	784,077,544
Short-term loans and advances	14	3,844,962,087	2,336,915,845
Other current assets	15	199,029,237	157,161,650
		4,434,059,735	**3,288,720,748**
TOTAL		**11,166,923,845**	**8,389,758,211**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration number : 301003E/E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership No.103380

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Date: 30-09-2019
Place: Mumbai

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

V.G.N Prasad
Managing Director
DIN - 01817992

V.Indira Devi
Whole Time Director
DIN - 05161174

P.Chandra Sekhar
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No ACS14723

Date: 30-09-2019
Place: Vijayawada

IKF Finance Limited

Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
Revenue			
Revenue from operations	18	1,768,579,870	1,356,968,553
Other income	19	1,053,547	927,936
Total revenue (I)		**1,769,633,417**	**1,357,896,489**
Expenses			
Employee benefit expenses	20	226,288,466	198,109,715
Finance costs	21	819,487,704	708,989,213
Other expenses	22	141,413,669	111,375,171
Depreciation and amortization expenses	23	9,163,077	7,270,937
Provisions and write-offs	24	61,896,221	38,657,355
Total expenses (II)		**1,258,249,137**	**1,064,402,391**
Profit before tax (III)=(I)-(II)		**511,384,280**	**293,494,098**
Tax expenses			
Current tax		153,157,005	108,864,302
Deferred tax		(2,602,185)	(6,103,943)
Adjustment of tax relating to earlier periods		6,042,229	(816,000)
Total tax expense (IV)		**156,597,049**	**101,944,359**
Profit after tax (III)-(IV)		**354,787,231**	**191,549,741**
Earnings per equity share			
[Nominal value of share Rs.10 (March 31, 2018: Rs.10)]	25		
Basic (Computed on the basis of total profit for the year)		**7.49**	**4.18**
Diluted (Computed on the basis of total profit for the year)		**7.49**	**4.15**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration number : 301003E/E300005
Chartered Accountants

per Jitendra H. Runawat
Partner
Membership No.103380

Date: 30-09-2019
Place: Mumbai

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

V.G.K Prasad
Managing Director
DIN - 01817992

V.Indira Devi
Whole Time Director
DIN - 03161174

P.Chandra Sekhar
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No ACS14723

Date: 30-09-2019
Place: Vijayawada

IKF Finance Limited

Cashflow statement for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	31-Mar-19	31-Mar-18
Cash flow from operating activities		
Profit before tax	**511,384,280**	**293,494,098**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	9,163,077	7,270,937
Loss on sale of fixed assets and write off	1,323,745	-
Provision for employee benefits	7,054,156	1,804,833
Amortization of ancillary borrowing costs	23,982,027	22,953,708
Loans written off	28,633,715	23,946,909
Contingent provision against standard assets	11,889,676	1,254,627
Provision for non-performing assets	18,872,830	13,455,819
Provision for contingencies	2,500,000	-
Operating profit before working capital changes	**614,803,506**	**364,180,931**
Movements in working capital :		
(Decrease) / Increase in other current and non-current liabilities	(51,593,620)	306,357,669
(Increase) / Decrease in trade receivables	(2,975,888)	9,824,635
(Increase) in loans and advances	(2,674,393,276)	(348,178,463)
(Increase) in other non-current assets	(23,201,346)	(9,991,610)
(Increase) in other current assets	(41,867,588)	(38,923,882)
Decrease / (Increase) in Margin money deposit (net)	195,113,578	(263,502,934)
Cash (used in) / generated from operations	**(1,984,114,034)**	**19,766,346**
Direct taxes paid (net of refunds)	(144,313,462)	(99,541,178)
Net cash flow (used in) operating activities (A)	**(2,128,427,496)**	**(79,774,832)**
Cash flows from investing activities		
Purchase of property, plant & equipment and intangible assets	(13,403,582)	(10,217,421)
Investments in subsidiary	(452,509,628)	-
Proceeds from sale of property, plant & equipment	41,400	-
Net cash flow (used in) investing activities (B)	**(465,871,810)**	**(10,217,421)**
Cash flows from financing activities		
Proceeds from issuance of compulsorily convertible preference shares	-	250,000,000
Proceeds from issuance of partly paid up equity shares	101,518,261	101,518,259
Long-term borrowings (net)	1,739,108,591	419,190,746
Short-term borrowings (net)	584,184,368	(894,533,665)
Net cash flow from / (used in) financing activities (C)	**2,424,811,220**	**(123,824,660)**
Net (decrease) in cash and cash equivalents (A + B + C)	**(169,488,086)**	**(213,816,914)**
Cash and cash equivalents at the beginning of the year	305,845,351	519,662,264
Cash and cash equivalents at the end of the year	**136,357,265**	**305,845,351**

Components of cash and cash equivalents	31-Mar-19	31-Mar-18
Cash and cash equivalents at the end of the year		
Cash on hand	19,336,776	16,237,880
Balances with banks in current accounts	117,020,489	289,607,471
Cash and cash equivalents at the end of the year (refer note 17)	**136,357,265**	**305,845,351**

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

Notes

1) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2) All figures in brackets indicate outflow.

3) Direct tax paid is treated as arising from operating activities and are not bifurcated between investment and financial activities.

For S. R. BATLIBOI & CO. LLP
ICAI Firm registration number : 301003E/E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership No 103380

Date: 30-09-2019
Place: Mumbai

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

V.G.K Prasad
Managing Director
DIN - 01817992

V.Indira Devi
Whole Time Director
DIN - 03161174

P.Chandra Sekhar
Chief Financial Officer

Chakravarsa Rao
Company Secretary
M.No ACS14723

Date: 30-09-2019
Place: Vijayawada

The Auditor's Report along with the requisite schedules, footnotes, summary etc has been attached separately.

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	IKF Finance Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: September 30, 2021 Deemed Date of Allotment: September 30, 2021
Maturity Date	• Series 1: March 30, 2023 • Series2: September 30, 2023
Day Count Convention	Actual/Actual

Method of calculation of Redemption Amount

<table>
<tr><td>Redemption Amount</td><td>Based on 'Reference Index Performance', corresponding 'Redemption Amount' will be applicable as follow -

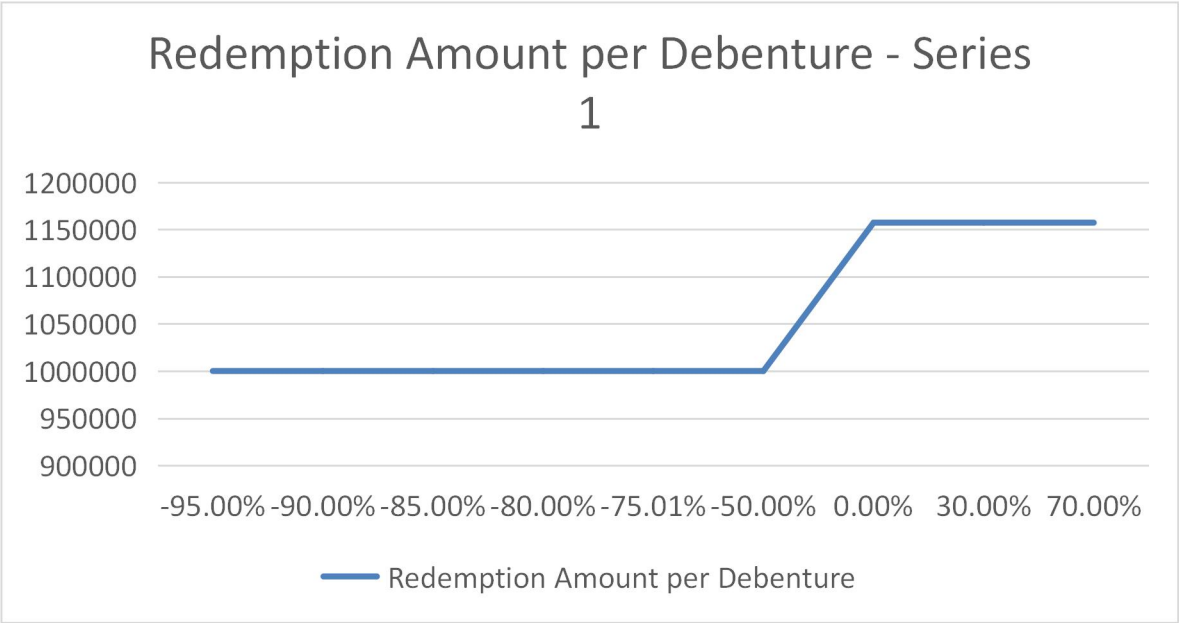
For Series 1:
<table>
<tr><th>Reference Index Movement from Initial fixing date to Final fixing date</th><th>Redemption Amount per debenture</th></tr>
<tr><td>Reference GSec Price Movement = -50% or below</td><td>10,00,000 /-</td></tr>
<tr><td>Reference GSec Price Movement stays above -50%</td><td>11,57,161 /-</td></tr>
</table>
For Series 2:
<table>
<tr><th>Reference Index Movement from Initial fixing date to Final fixing date</th><th>Redemption Amount per debenture</th></tr>
<tr><td>Reference GSec Price Movement = -50% or below</td><td>10,00,000 /-</td></tr>
<tr><td>Reference GSec Price Movement stays above -50%</td><td>12,21,025 /-</td></tr>
</table>
Initial Fixing Level – Official closing price level of Reference GSec Price as on Initial Fixing Date.

Final Fixing Level – Official closing price level of Reference GSec Price as on Final Fixing Dates.</td></tr>
<tr><td>Face Value</td><td>INR 10,00,000 (Rupees Ten Lakh only) per Debenture</td></tr>
</table>

Tenor In Days	Series 1: 546 Days from Deemed Date of Allotment** Series 2: 730 Days from Deemed Date of Allotment** **In the case of an Early Redemption, Tenor in Days will be number of days between the Deemed Date of Allotment and Early Redemption Date
Reference Index	10 Year G-sec 5.85 GS 2030 (ISIN - IN0020200294)
Reference Index Performance	$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$
Initial Fixing Level	Official price at closing level of the Reference Index as on Initial Fixing Date
Initial Fixing Date	Deemed Date of Allotment
Final Fixing Level	Official price at closing level of the Reference Index on the Final Fixing Date
Final Fixing Date	Final Fixing Dates for each Series, as follows: Series 1 – Simple Average of closing prices of 6, 7 and 8Mar 2023 Series 2 – Simple Average of closing prices of 6, 7 and 8Sep 2023

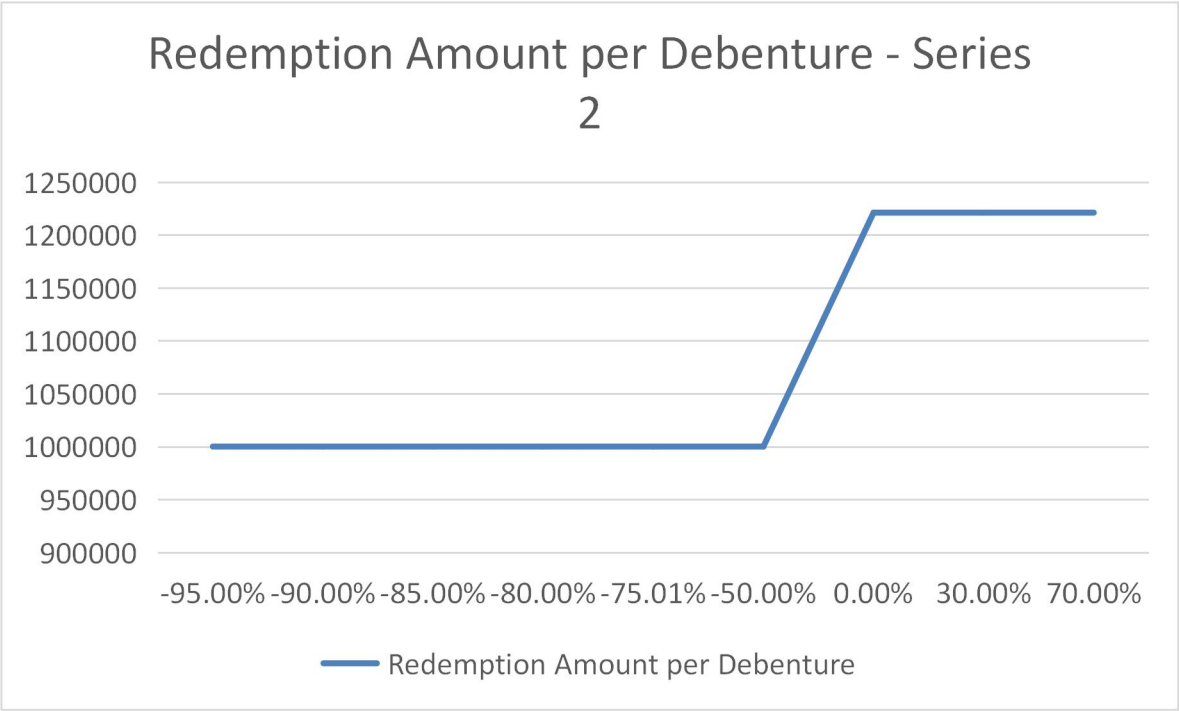
SCENARIO ANALYSIS FOR SERIES 1

Performance of Index Level	Initial Investment on Debentures (INR)	Redemption Amount perDebentures
-95.00%	10,00,000	10,00,000
-90.00%	10,00,000	10,00,000
-85.00%	10,00,000	10,00,000
-80.00%	10,00,000	10,00,000
-75.01%	10,00,000	10,00,000
-50.00%	10,00,000	10,00,000
-40.00%	10,00,000	11,57,161
0.00%	10,00,000	11,57,161
30.00%	10,00,000	11,57,161
70.00%	10,00,000	11,57,161



SCENARIO ANALYSIS FOR SERIES 2

Performance of Index Level	Initial Investment per Debentures (INR)	Redemption Amount per Debenture
-95.00%	10,00,000	10,00,000
-90.00%	10,00,000	10,00,000
-85.00%	10,00,000	10,00,000
-80.00%	10,00,000	10,00,000
-75.01%	10,00,000	10,00,000
-50.00%	10,00,000	10,00,000
0.00%	10,00,000	12,21,025
30.00%	10,00,000	12,21,025
70.00%	10,00,000	12,21,025


Redemption Amount per Debenture - Series 2
1250000
1200000
1150000
1100000
1050000
1000000
950000
900000
-95.00%
-90.00%
-85.00%
-80.00%
-75.01%
-50.00%
0.00%
30.00%
70.00%
Redemption Amount per Debenture

ANNEXURE VII: DUE DILIGENCE CERTIFICATE

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

IDBI trustee

33190/ITSL/OPR/2021-2022
To,
BSE Limited
25th Floor,
P.J. Towers,
Dalal Street,
Mumbai – 400 001

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR INFORMATION MEMORANDUM

Dear Sir / Madam

SUB.: ISSUE OF RATED, LISTED, SENIOR, UNSECURED, REDEEMABLE, TAXABLE, MARKET LINKED, PRINCIPAL PROTECTED NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH, AGGREGATING UP TO RS. 30,00,00,000/- (RUPEES THIRTY FIVE CRORES ONLY) COMPRISING OF 150 (ONE HUNDRED AND FIFTY) RATED, LISTED, SENIOR, UNSECURED, REDEEMABLE, TAXABLE, MARKET LINKED, PRINCIPAL PROTECTED NON-CONVERTIBLE DEBENTURES AGGREGATING TO INR 15,00,00,000, ("SERIES 1"), 150 (ONE HUNDRED AND FIFTY) RATED, LISTED, SENIOR, UNSECURED, REDEEMABLE, TAXABLE, MARKET LINKED, PRINCIPAL PROTECTED NON-CONVERTIBLE DEBENTURES AGGREGATING TO INR 15,00,00,000 ("SERIES 2") AND ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") BY IKF FINANCE LIMITED.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued – **Not applicable**.
b) The Issuer has obtained the permissions / consents necessary for creating security on the said property (ies) – **Not applicable**.
c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities – **Not applicable**.
d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement – **Not applicable**.
e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application – **Not applicable**.
f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities

PLACE: Mumbai
DATE: 28/09/2021
For IDBI Trusteeship Services Limited

GAURAV MODY
Digitally signed by GAURAV MODY
Date: 2021.09.28 18:56:00 +05'30'

Authorised Signatory

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

Attached separately.

ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

EXPERIENCE THE NEW

DCS/COMP/PG/IP-PPDI/247/21-22 September 30, 2021

IKF FINANCE LIMITED
40-1-144, Corporate Centre, M.G. Road, Vijayawada – 520 010

Dear Sir,

Re: Private Placement Of 300 Rated, Listed, Senior, Unsecured, Redeemable, Taxable, Market Linked, Principal Protected Non-Convertible Debentures Of Face Value Of Rs.10 Lakhs Each, Aggregating Up To Rs.30 Crores Only Comprising Of 150 Rated, Listed, Senior, Unsecured, Redeemable, Taxable, Market Linked, Principal Protected Non-Convertible Debentures Aggregating To Rs.15 Crore ("Series 1"), 150 Rated, Listed, Senior, Unsecured, Redeemable, Taxable, Market Linked, Principal Protected Non-Convertible Debentures Aggregating To Rs.15 Crore ("Series 2") (The "Issue").

We acknowledge receipt of your application on the online portal on September 29, 2021 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com)

BSE - CONFIDENTIAL

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

BSE
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8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021***.

10. The issuer is advised to comply with point "d" as mentioned in SEBI letter SEBI/HO/DDHS/Div-1/ON/2021/23834/1 dated 13th September, 2021 and provide us the confirmation for the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

For BSE Limited

Sd/-
Rupal Khandelwal
Assistant General Manager

Sd/-
Raghavendra Bhat
Deputy Manager

ANNEXURE X: CONSENT LETTER FROM REGISTRAR TO THE ISSUE

Bigshare Services Pvt. Ltd.

(On the letterhead of R&T Agent)

306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital,
Somajiguda Rajbhavan Road, Hyderabad - 500 082.
Email: bsshyd@bigshareonline.com • website: www.bigshareonline.com

SEBI
REGISTERED CATEGORY I
REGISTRAR & TRANSFER
AGENT

Confirmation letter for appointment as R&T Agent

Date: 28/09/2021

To,
The Managing Director
National Securities Depository Limited
4th floor, Trade World, A Wing
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013

Dear Sir,

We hereby confirm that we have been appointed as R&T Agent [Business Partner ID- IN200117 (BP ID) allocated by NSDL by **M/s .IKF Finance Limited –NCD (name of the Issuer)** for providing:

	Please select
Single Point Connectivity (Physical + Electronic)	√
Only Electronic Connectivity	

We also confirm that the physical certificates for the purpose of dematerialisation should be forwarded to the following address: -

Particulars		Details		
Name of Organisation		Bigshare Services Pvt. ltd		
Name of Contact Person		S.D.Prabhakar		
Designation of Contact Person		Deputy General Manager		
Address	Line 1	306,Right Wing, 3rd Floor, Amrutha Ville		
	Line 2	Opp.Yashoda Hospital, Rajbhavan Road		
	Line 3	Somajiguda		
City		Hyderabad	PIN	500 082
State		Telangana	Country	India
Phone - 1		040-2337 4967	Phone - 2	040-4014 4967
Email ID		bsshyd@bigshareonline.com		

Yours faithfully,

Signature of Authorised Signatory
Name: S.D.Prabhakar
Designation: Deputy General Manager

Place: Hyderabad

Stamp: Bigshare Services Pvt. Ltd. * Hyd. *