

SGCO & Co. LLP

Chartered Accountants

Independent Auditors' Report on the Quarterly and Year to Date Audited Standalone Financial Results of IKF Finance Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Board of Directors of
IKF Finance Limited
Mumbai

Report on the audit of the standalone Financial Results

Opinion

We have audited the accompanying statement for the quarterly and year to date standalone financial results of IKF Finance Limited (the "Company") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. Is presented in accordance with the requirements of Regulation 52 of the SEBI (listing obligations and Disclosure Requirement) Regulations , 2015 as amended ; and
- ii. gives a true and fair view in conformity with applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, other and total comprehensive income and other financial information for the quarter and year ended March 31, 2024.

4A, Kaledonia,
2nd Floor, Sahar Road,
Near Andheri Station,
Andheri (East),
Mumbai - 400 069

Tel. +91 22 6625 6363
Fax. +91 22 6625 6364
E-mail. info@sgco.co.in
www.sgco.co.in



SGCO & Co.LLP

Chartered Accountants

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Managements and Board of Directors' Responsibilities for the Standalone Financial Results

The Statement have been prepared on the basis of the standalone annual financial statements. The Company's Management and the Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit, other and total comprehensive income and other financial information in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Board of Directors.

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



SGCO & Co.LLP

Chartered Accountants

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

Auditors' Responsibilities for the Audit of the Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to 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 in the Statement made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



SGCO & Co.LLP

Chartered Accountants

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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.



SGCO & Co.LLP
Chartered Accountants

Other Matters

- I. The Statement includes the figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial years and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Our opinion is not modified in respect of these matters.

For SGCO & Co. LLP

Chartered Accountants

Firm Registration Number: 112081W/W100184

Shetty

Sudha Jaideep Shetty

Partner

Membership Number: 047684

UDIN: 24047684BKHXS9792

Hyderabad, May 29, 2024



Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31,2024

(Rs in Lacs)

	Particulars	Quarter Ended			Year Ended	
		March 31, 2024 (Audited) (Ref Note 9)	December 31, 2023 (Reviewed)	March 31, 2023 (Audited) (Ref Note 9)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from operations					
	(a) Interest income	13542.29	11,056.12	8,534.39	43,304.01	28,398.32
	(b) Fees and commission income	21.31	33.55	30.23	98.89	93.92
	(c) Other Operating Income	17.00	1.07	1.77	19.64	3.20
	Total revenue from operations	13,580.60	11,090.74	8,566.40	43,422.53	28,495.44
2	Other income	152.45	21.36	99.13	325.04	164.24
3	Total income (1 + 2)	13,733.05	11,112.10	8,665.53	43,747.57	28,659.68
4	Expenses					
	(a) Finance costs	6242.57	5,784.11	4,758.33	22,022.85	15,402.63
	(b) Impairment on financial instruments	492.42	495.30	-227.36	1,640.51	539.85
	(c) Employee benefits expenses	2306.50	1,737.65	1,321.69	7,329.16	4,297.44
	(d) Depreciation, amortization and impairment	115.96	76.06	71.16	340.89	264.23
	(e) Others expenses	573.83	525.07	438.65	2,076.54	1,424.80
	Total expenses	9,731.28	8,618.19	6,362.47	33,409.94	21,928.95
5	Profit before tax (3 - 4)	4,001.77	2,493.91	2,303.06	10,337.63	6,730.73
6	Tax expenses					
	(a) Current tax	715.83	759.26	379.77	2,600.55	1,461.47
	(b) Deferred tax	302.42	-127.46	202.66	30.82	255.84
	(c) Adjustment of tax relating to earlier periods	0.00	0.03	12.47	8.82	12.91
7	Net Profit for the period (5 - 6)	2,983.52	1,862.08	1,708.16	7,697.44	5,000.51
8	Other comprehensive income					
	(A) Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the defined benefit plans	-9.94	8.65	6.94	-4.36	13.18
	(b) Income tax relating to items that will not be reclassified to profit or loss	2.50	-2.18	-1.75	1.10	-3.32
9	Total Comprehensive Income (7 + 8)	2,976.08	1,868.55	1,713.35	7,694.18	5,010.37
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)					
	- Basic (Not Annualised)	4.39	2.77	3.18	11.32	9.31
	- Diluted (Not Annualised)	4.39	2.77	3.18	11.32	9.31



Venugopal Reddy

Statement of Assets and Liabilities

(Rs in Lacs)

Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	4,407.96	23,039.43
(b) Bank balance other than included in (a) above	3,023.41	5,573.17
(c) Receivables		
(i) Trade Receivables	145.64	0.00
(ii) Other receivables	0.00	0.00
(d) Loans	3,25,530.75	2,10,754.51
(e) Investments	27,624.85	30,810.55
(f) Other financial assets	2,754.99	2,220.12
Non-financial assets		
(a) Current tax assets (net)	43.25	372.98
(b) Deferred tax assets (net)	-	0.00
(c) Investment Property	130.03	72.14
(d) Property, plant and equipment	237.54	250.23
(e) Right of use asset	262.17	270.26
(f) Capital work in progress	47.59	0.00
(g) Intangibles assets under development	13.20	0.00
(h) Intangible assets	123.99	156.38
(i) Other non-financial assets	3,265.05	2,909.85
TOTAL ASSETS	3,67,610.42	2,76,429.64
LIABILITIES AND EQUITY		
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	15,989.65	18,838.54
(c) Borrowings (other than debt securities)	2,40,928.87	1,68,496.32
(d) Subordinated liabilities	16,372.47	16,345.06
(e) Other financial liabilities	5,470.71	2,921.34
Non-financial liabilities		
(a) Provisions	288.37	210.50
(b) Deferred tax liabilities (Net)	218.55	188.82
(c) Other non-financial liabilities	275.74	179.07
Equity		
(a) Equity share capital	7,015.65	6,457.51
(b) Other equity	81,050.41	62,792.48
TOTAL LIABILITIES AND EQUITY	3,67,610.42	2,76,429.64



Venunathi Gopali



Cash Flow statement for the year ended March 31, 2024

Particulars	(Rs in Lacs)	
	March 31, 2024 (Audited)	March 31, 2023 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,337.63	6,730.73
Adjustments for:		
Depreciation, amortisation and impairment	340.89	264.23
Interest Income	-43,304.01	-28,398.32
Interest expenses	22,022.85	15,402.63
Impairment on financial instrument	1,640.51	539.85
Lease equalisation	0.00	0.00
Share based payment expense	1.08	-3.99
Provision for expenses	12.75	2.25
Employee benefit expenses	82.35	-57.21
Rental income on Investment property	-9.15	-7.63
(Profit)/ Loss on sale of property, plant and equipment	-0.04	1.14
(Profit)/ Loss on sale of immovable Property	0.00	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	-8,875.15	-5,523.17
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	-145.64	0.00
Decrease / (Increase) in loans	-1,14,911.49	-55,475.48
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.76	-3,364.52
Decrease / (Increase) in other financial assets	-36.54	43.49
Decrease / (Increase) in other non-financial assets	-355.20	-1,842.43
(Decrease) / Increase in trade payables	0.00	0.00
(Decrease) / Increase in other financial liabilities	2,537.90	622.18
(Decrease) / Increase in provisions	-8.83	-25.48
(Decrease) / Increase in other non-financial liabilities	96.67	79.57
Interest received	41,283.73	27,451.64
Interest paid	-22,397.69	-15,826.72
	-1,00,262.47	-53,860.90
Income tax paid (net of refunds)	-2,279.64	-1,664.32
Deferred tax adjustment	0.01	0.00
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	-1,02,542.10	-55,525.22



Ummathu Gopali



(Rs in Lacs)

Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	-119.47	-67.99
Purchase of intangible assets under development	-13.20	
Purchase of Investment property	-58.06	0.00
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	0.04	0.82
Proceeds from sale of Investment property	0.00	38.85
Purchase of intangible assets	-20.00	-50.25
Purchase of investments measured at Amortised cost and FVTPL	3,185.70	-24,557.63
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	2,984.16	-24,628.57
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.00	25,506.83
Share issue expenses	-879.18	0.00
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	-17,500.00	-3,400.00
Amount received from borrowings other than debt securities	1,40,850.00	1,09,340.00
Repayment of borrowings other than debt securities	-68,326.67	-48,983.70
Amount received from subordinated Liabilities	0.00	14,000.00
Repayment of subordinated debt	0.00	-3,500.00
Payment of principal portion of lease liabilities	-180.25	-113.49
Payment of interest on lease liabilities	-37.43	-33.63
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	80,926.47	99,816.01
Net Increase / (Decrease) in Cash and Cash Equivalents	-18,631.47	19,662.22
Cash and Cash Equivalents at the beginning of Year	23,039.43	3,377.21
Cash and Cash Equivalents at the end of the Year	4,407.96	23,039.43

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

Ummathi Gopal



IKF Finance Limited

Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520010
CIN: U65992AP1991PLC012736, Tel: 91-866-2474644, Fax: 91-866-2485755,
Website: www.ikffinance.com



Notes:

- 1 IKF Finance Limited (the 'Company') has prepared financial results (the 'Statement') for the Quarter ended and the year ended March 31, 2024 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- 2 The above financial results are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on May 29, 2024.
- 3 The above financial results for the quarter and year ended March 31, 2024 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report
- 4 The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing
- 5 On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of income recognition and asset classification norms. The Management has taken necessary steps to comply with norms/changes as and when they became applicable.
- 6 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 / 21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	76.34	-	-	5.33	71.01
Total	76.34	-	-	5.33	71.01

- 7 Details of loans transferred / acquired during the quarter ended March 31, 2024 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2024

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	27458.08	3443.37
Weighted average maturity (in months)	27.22	19.42
Weighted average holding period (in months)	9.50	7.22
Retention of beneficial economic interest by the originator	10.00%	10.00%
Tangible security Coverage	100.00%	100.00%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

(ii) The Company has not transferred any non-performing assets (NPAs)

(iii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iv) The Company has not acquired any loans not in default through assignment.

(v) The Company has not acquired any stressed loan.

Ummathi Gauri



- 8 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 9 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.
- 10 All Secured NCDs issued by the company are secured by pari-passu charge and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100 % or such higher security as per the respective termsheets of outstanding secured NCDs.
- 11 The Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in Appendix 1.

Appendix 1

Analytical Ratios and other disclosures based on Standalone financial results:

	Particulars	Quarter Ended			Year Ended	
		March 31, 2024 (Audited) (Ref Note 9)	December 31, 2023 (Reviewed)	March 31, 2023 (Audited) (Ref Note 9)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	3.10	2.74	2.94	3.10	2.94
b)	Debt service coverage ratio	N/A	N/A	N/A	N/A	N/A
c)	Interest service coverage ratio	N/A	N/A	N/A	N/A	N/A
d)	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-
e)	Capital redemption reserve	N/A	N/A	N/A	N/A	N/A
f)	Debenture redemption reserve	N/A	N/A	N/A	N/A	N/A
g)	Net worth (refer note iii)	88,066.06	85,089.96	69,249.99	88,066.06	69,249.99
h)	Net profit (loss) after tax	2,983.52	1,862.08	1,708.16	7,697.44	5,000.51
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)					
	-Basic (Rupees)	4.39	2.77	3.18	11.32	9.31
	-Diluted (Rupees)	4.39	2.77	3.18	11.32	9.31
j)	Current ratio	N/A	N/A	N/A	N/A	N/A
k)	Long term debt to working capital	7.68	7.02	6.80	7.68	6.80
l)	Bad debts to Account receivable ratio	N/A	N/A	N/A	N/A	N/A
m)	Current liability ratio	N/A	N/A	N/A	N/A	N/A
n)	Total debts to total assets (refer note iv)	74.34%	72.07%	73.68%	74.34%	73.68%
o)	Debtors turnover	N/A	N/A	N/A	N/A	N/A
p)	Inventory turnover	N/A	N/A	N/A	N/A	N/A
q)	Operating margin (%)	N/A	N/A	N/A	N/A	N/A
r)	Net profit margin (%) (refer note v)	21.73%	16.76%	19.71%	17.60%	17.45%
s)	Sector specific equivalent ratios, as applicable.					
	1) Capital Adequacy Ratio (%) (refer note vi)	26.51%	30.46%	33.02%	26.51%	33.02%
	2) Gross Stage-3 Assets % (refer note vii)	2.35%	2.32%	2.83%	2.35%	2.83%
	3) Net Stage-3 Assets % (refer note viii)	1.80%	1.85%	2.26%	1.80%	2.26%
	4) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix)	23.61%	20.68%	20.75%	23.61%	20.75%

Notes:

- i) Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered
- ii) Debt equity ratio=[Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital +
- iii) Net worth = [Equity share capital +Other equity]
- iv) Total debts to total assets=[Debt Securities + Borrowings (Other than Debt Securities)+ Deposits+ Subordinated Liabilities]/Total assets
- v) Net profit margin = Profit after tax/Total income
- vi) Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- vii) Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets/Gross loan assets
- viii) Net Stage-3 Assets % (as per Ind AS) = (Gross Stage-3 Assets less Impairment loss allowance for Stage-3 Assets)/(Gross loan assets less Impairment loss allowance for Stage-3 Assets)
- ix) Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets/Gross Stage-3

Place: Hyderabad
 Date : May 29,2024

For and on behalf of the Board of Directors
 Vasumathi Devi Koganti

Vasumathi Koganti
 Managing Director

Registered Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520010
 Tel: 91-866-2474644, Fax: 91-866-2485755, Email: info@ikffinance.com, www.ikffinance.com
 Corporate Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520010
 Tel: 91-866-2474644, Fax: 91-866-2485755, Email: info@ikffinance.com, www.ikffinance.com
 Raj Bhawan Road, Somajiguda, Hyderabad - 500082
 CIN: U65992AP1991PLC012736



SGCO & Co. LLP

Chartered Accountants

Independent Auditors' Report on the Quarterly and Year to Date Consolidated Financial Results of IKF Finance Limited Pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
IKF Finance Limited
Hyderabad.

Opinion

We have audited the accompanying Statement of quarterly and year to date Consolidated Financial Results of IKF Finance Ltd. ("Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate audited financial statements of subsidiary, the aforesaid Statement:

a. include the financial results of the below entity:

Subsidiary - IKF Home Finance Ltd.

- b. are presented in accordance with the requirements of Regulations 52 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2024.

4A, Kaledonia,
2nd Floor, Sahar Road,
Near Andheri Station,
Andheri (East),
Mumbai - 400 069

Tel. +91 22 6625 6363
Fax. +91 22 6625 6364
E-mail. info@sgco.co.in
www.sgco.co.in

Mumbai • Delhi



SGCO & Co.LLP

Chartered Accountants

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

The Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 52 of the Listing Regulations. The respective Management and the Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Management and Directors of the Holding Company, as aforesaid

In preparing the Statement, the respective Board of Directors of the companies included in the



SGCO & Co.LLP

Chartered Accountants

Group and are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of their respective entities.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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

- i. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. 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 through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to



SGCO & Co.LLP

Chartered Accountants

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure, and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial results/ information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision, and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and the respective auditors communicate with those charged with governance of such other entities included in the Statement of which other auditors are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- a. The Statement includes the audited financial results of subsidiaries, whose financial statements, before consolidation adjustments, total assets of Rs. 952.01 crores as at March 31, 2024, total revenue from operation of Rs. 144.39 crores and total net profit after tax of Rs. 23.68 crores and total comprehensive income of Rs. 23.52 crores for the period from April 01, 2023 to March 31, 2024 respectively, and net cash outflows of Rs. 44.64 crores for the year



SGCO & Co. LLP

Chartered Accountants

ended March 31, 2024, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such independent auditors' and the procedures performed by us are as stated in the "Responsibilities of the Auditors for the Audit of the Consolidated Financial Result" section of this report.

- b. The Statement includes the figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial years and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Our opinion is not modified in respect of these matters.

For SGCO & Co. LLP

Chartered Accountants

Firm Registration Number: 112081W/W100184

Sudha Jaideep Shetty

Partner

Membership Number: 047684

UDIN: 24047684BKHXQU7640

Hyderabad, May 29, 2024



IKF Finance Limited

Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520 010

CIN: U65992AP1991PLC012736, Tel: 91-866-2474644, Fax: 91-866-2485755,

Website: www.ikffinance.com



Statement of Audited Consolidated Financial Results for the Year ended March 31, 2024

(Rs in Lacs)

	Particulars	Year Ended	
		March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from operations		
	(a) Interest income	56,709.99	36,550.27
	(b) Fees and commission income	1,212.21	890.61
	(c) Other Operating Income	19.64	3.20
	Total revenue from operations	57,941.84	37,444.08
2	Other income	658.34	400.63
3	Total income (1 + 2)	58,600.18	37,844.71
4	Expenses		
	(a) Finance costs	28,476.10	19,217.55
	(b) Net loss on fair value changes	0.00	0.00
	(c) Impairment on financial instruments	2,018.32	628.21
	(d) Employee benefits expenses	10,638.24	7,027.13
	(e) Depreciation, amortization and impairment	468.88	341.66
	(f) Others expenses	3,297.51	2,381.82
	Total expenses	44,899.06	29,596.37
5	Profit before tax (3 - 4)	13,701.12	8,248.34
6	Tax expenses		
	(a) Current tax	3,327.22	1,717.24
	(b) Deferred tax	181.51	366.23
	(c) Adjustment of tax relating to earlier periods	11.88	12.91
7	Net Profit for the period (5 - 6)	10,180.51	6,151.96
8	Other comprehensive income		
	(A) Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit plans	-4.36	17.82
	(b) Impact of changes in fair value of Financial Instruments	0.00	53.28
	(c) Income tax relating to items that will not be reclassified to profit or loss	-1.63	-3.13
	(d) Items that will not be reclassified to profit or loss	10.82	
	(B) Items that will be reclassified to profit or loss		
	(a) Items that will be reclassified to profit or loss	-32.15	0.00
	(b) Income tax relating to items that will be reclassified to profit or loss	8.09	0.00
9	Total Comprehensive Income (7 + 8)	10,161.29	6,219.93
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)		
	- Basic (Not Annualised)	14.97	11.46
	- Diluted (Not Annualised)	14.97	11.45



Urunnathi Gajulu



Statement of Assets and Liabilities

(Rs in Lacs)

Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	4,721.03	27,817.26
(b) Bank balance other than included in (a) above	3,549.17	6,098.78
(c) Trade receivables	145.64	0.00
(d) Loans	4,14,297.53	2,68,920.04
(e) Investments	12,406.62	21,247.83
(f) Derivative financial instruments	62.79	-
(g) Other financial assets	6,655.13	4,759.15
Non-financial assets		
(a) Current tax assets (net)	43.25	400.55
(b) Deferred tax assets (net)	0.00	0.00
(c) Investment Property	130.03	72.14
(d) Property, plant and equipment	350.47	363.00
(e) Right of use asset	361.85	313.23
(f) Capital work in progress	47.59	
(g) Intangibles assets under development	13.20	
(h) Intangible assets	198.09	236.22
(i) Goodwill	774.47	774.47
(j) Other non-financial assets	4,329.92	3,387.49
TOTAL ASSETS	4,48,086.80	3,34,390.16
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments	0.00	5.40
(b) Trade Payables	157.85	113.02
(c) Debt securities	20,999.05	26,640.67
(d) Borrowings (other than debt securities)	3,07,465.24	2,13,081.79
(e) Subordinated liabilities	16,372.47	16,345.06
(f) Other financial liabilities	6,963.88	4,026.93
Non-financial liabilities		
(a) Current tax liabilities (Net)	114.33	0.00
(b) Provisions	342.98	261.90
(c) Deferred tax liabilities (Net)	639.43	464.37
(d) Other non-financial liabilities	375.65	263.49
Equity		
(a) Equity share capital	7,015.65	6,457.51
(b) Other equity	86,391.55	65,945.19
(c) Non-Controlling Interest	1,248.72	784.84
TOTAL LIABILITIES AND EQUITY	4,48,086.80	3,34,390.16

Ummathi B. G. Prithi



Cash Flow statement for the year ended March 31, 2024

(Rs in Lacs)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,701.12	8,248.34
Adjustments for:		
Depreciation, amortisation and impairment	468.88	341.66
Interest Income	(56,709.99)	(36,553.47)
Interest expenses	28,476.10	19,217.55
Impairment on financial instrument	2,018.32	628.21
Net loss on fair value changes	-	-
Lease equalisation	-	-
Share based payment expense	1.08	(4.00)
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)	-	-
Net gain/(loss) on financial instrument at amortised category	-	-
Provision for expenses	12.75	2.25
Employee benefit expenses	109.83	(31.35)
Rental income on Investment property	(9.15)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	(344.17)	1.14
(Profit)/ Loss on sale of immovable Property	288.33	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	(11,986.91)	(8,154.15)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(145.64)	-
Decrease / (Increase) in loans	(1,44,910.39)	(79,896.38)
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.61	(3,565.14)
Decrease / (Increase) in other financial assets	2,024.62	(297.93)
Decrease / (Increase) in other non-financial assets	(942.43)	(2,307.26)
(Decrease) / Increase in trade payables	44.83	105.93
(Decrease) / Increase in other financial liabilities	2,868.23	626.06
(Decrease) / Increase in provisions	(93.21)	33.69
(Decrease) / Increase in other non-financial liabilities	112.15	106.22
Interest received	50,391.90	33,600.98
Interest paid	(29,144.64)	(19,393.29)
	(1,29,231.88)	(79,141.26)
Income tax paid (net of refunds)	(2,867.46)	(1,929.74)
Derivative financial instruments	(11.77)	45.27
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(1,32,111.11)	(81,025.71)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(120.88)	(131.47)
Purchase of Investment property	(58.06)	-
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	344.35	0.82
Proceeds from sale of Investment property	(288.33)	38.85
Purchase of intangible assets	(43.40)	(137.38)
ROU Adj	-	-
Purchase of investments measured at cost	8,841.20	(21,247.83)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	8,684.05	(21,469.37)
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.01	25,506.83
Share issue expenses	(879.18)	-
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	(19,889.84)	(4,249.92)
Amount received from borrowings other than debt securities	1,62,694.34	1,39,390.00
Repayment of borrowings other than debt securities	(68,329.30)	(57,339.83)
Amount received from subordinated Liabilities	-	14,000.00
Repayment of subordinated debt	-	(3,500.00)
Payment of principal portion of lease liabilities	(219.12)	(123.03)
Payment of interest on lease liabilities	(46.08)	(36.00)
Deposits received (net)	-	-
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	1,00,330.83	1,20,648.04
Net Increase / (Decrease) In Cash and Cash Equivalents	(23,096.23)	18,152.95
Cash and Cash Equivalents at the beginning of Year	27,817.26	9,664.31
Cash and Cash Equivalents at the end of the Year	4,721.03	27,817.26

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



Notes:

- 1 IKF Finance Limited (the 'Company') has prepared financial results (the 'Statement') for the year ended and the year ended March 31, 2024 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- 2 The above financial results are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on May 29, 2024.
- 3 The above financial results year ended March 31, 2024 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report.
- 4 The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing with "Operating Segments"
- 5 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 6 All Secured NCDS issued by the company are secured by pari-passu charge and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100% or such higher security as per the respective termsheets of outstanding secured NCDS.
- 7 The Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations is made in Appendix 1.

Appendix 1

Analytical Ratios and other disclosures based on financial results:

	Particulars	Year Ended	
		March 31, 2024 (Audited)	March 31, 2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	3.69	3.54
b)	Debt service coverage ratio	N/A	N/A
c)	Interest service coverage ratio	N/A	N/A
d)	Outstanding redeemable preference shares (quantity and value)	-	-
e)	Capital redemption reserve	N/A	N/A
f)	Debenture redemption reserve	N/A	N/A
g)	Net worth (refer note iii)	93,407.20	72,402.69
h)	Net profit (loss) after tax	10,180.51	6,151.96
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)		
	-Basic (Rupees)	14.97	11.46
	-Diluted (Rupees)	14.97	11.45
j)	Current ratio	N/A	N/A
k)	Long term debt to working capital		
l)	Bad debts to Account receivable ratio	N/A	N/A
m)	Current liability ratio	N/A	N/A
n)	Total debts to total assets (refer note iv)	76.96%	76.58%
o)	Debtors turnover	N/A	N/A
p)	Inventory turnover	N/A	N/A
q)	Operating margin (%)	N/A	N/A
r)	Net profit margin (%) (refer note v)	17.37%	16.26%

Notes:

- i) Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the Reserve Bank of India
- ii) Debt equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / [Equity Share capital + Other equity]
- iii) Net worth = [Equity share capital + Other equity]
- iv) Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / Total assets
- v) Net profit margin = Profit after tax / Total income
- vi) Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- vii) Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets / Gross loan assets
- viii) Net Stage-3 Assets % (as per Ind AS) = (Gross Stage-3 Assets less Impairment loss allowance for Stage-3 Assets) / (Gross loan assets less Impairment loss allowance for Stage-3 Assets)
- ix) Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets / Gross Stage-3 Assets

Place: Hyderabad
 Date: 29 May 2024



For and on behalf of the Board of Directors
 Vasumathi Devi Koganti

Vasumathi Devi Koganti
 Managing Director

