

IKF Finance Limited

Statement of Unaudited Balance Sheet as at 30 September, 2020

(Currency : INR in rupees)

| Particulars | Note No | Unaudited as on 30 September, 2020 | Audited as on 31 March, 2020 |
|---|---------|------------------------------------|------------------------------|
| Assets | | | |
| (1) Financial assets | | | |
| (a) Cash and cash equivalents | 1 | 524,096,182 | 248,561,443 |
| (b) Bank balance other than included in (a) above | 2 | 355,493,086 | 377,492,830 |
| (c) Receivables | 3 | | |
| (l) Trade receivables | | 794,203 | 2,395,567 |
| (d) Loans | 4 | 13,217,825,163 | 12,601,088,006 |
| (e) Other financial assets | 5 | 29,273,625 | 34,091,714 |
| (f) Investments | 6 | 452,509,704 | 452,509,704 |
| | | 14,579,991,963 | 13,716,139,264 |
| (2) Non-financial assets | | | |
| (a) Current tax assets (net) | | 0 | 15,656,138 |
| (b) Deferred tax assets (net) | | 41,546,600 | 34,460,901 |
| (c) Investment Property | 9 | 655,682 | 664,190 |
| (d) Property, plant and equipment | 8 | 24,284,299 | 27,240,263 |
| (e) Right of use asset | 8 | 3,870,444 | 6,354,681 |
| (f) Intangible assets | 10 | 17,263,207 | 17,839,205 |
| (g) Other non-financial assets | 7 | 36,963,251 | 35,473,870 |
| | | 124,583,483 | 137,689,248 |
| Total Assets | | 14,704,575,446 | 13,853,828,512 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| (1) Financial liabilities | | | |
| (a) Debt securities | 11 | 2,874,722,423 | 610,976,621 |
| (b) Borrowings (other than debt securities) | 12 | 7,694,216,742 | 9,315,089,389 |
| (c) Subordinated liabilities | 13 | 656,941,613 | 645,076,186 |
| (d) Other financial liabilities | 14 | 298,242,352 | 273,883,674 |
| | | 11,524,123,130 | 10,845,025,869 |
| (2) Non-financial liabilities | | | |
| (a) Current tax liabilities (net) | | 9,087,215 | 0 |
| (b) Provisions | 15 | 23,798,948 | 20,848,232 |
| (d) Other non-financial liabilities | 16 | 9,602,866 | 11,869,011 |
| | | 42,489,029 | 32,717,243 |
| Equity | | | |
| (a) Equity share capital | 17 | 502,764,105 | 502,764,105 |
| (b) Other equity | 18 | 2,635,199,182 | 2,473,321,294 |
| | | 3,137,963,287 | 2,976,085,399 |
| Total Liabilities and Equity | | 14,704,575,446 | 13,853,828,512 |

Place : Vijaywada
Date : 14-11-2020



IKF Finance Limited

Statement of Unaudited Financial Results for the Half Year Ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Note No | Unaudited as on 30 September, 2020 | Unaudited as on 30 September, 2019 | Audited as on 31 March, 2020 |
|--|---------|------------------------------------|------------------------------------|------------------------------|
| (I) Revenue from operations | | | | |
| (i) Interest income | 19 | 1,052,302,739 | 984,338,377 | 2,056,796,767 |
| (ii) Fees and commission income | 20 | 0 | 0 | 110,000 |
| (I) Total revenue from operations | | 1,052,302,739 | 984,338,377 | 2,056,906,767 |
| (II) Other income | 21 | 1,133,671 | 1,483,664 | 1,922,618 |
| (III) Total income (I + II) | | 1,053,436,410 | 985,822,041 | 2,058,829,385 |
| (IV) Expenses | | | | |
| (i) Finance costs | 22 | 585,858,100 | 562,265,689 | 1,155,161,957 |
| (ii) Impairment on financial instruments | 23 | 79,035,321 | 48,359,686 | 163,473,479 |
| (iii) Employee benefits expenses | 24 | 125,694,168 | 121,137,718 | 250,530,101 |
| (iv) Depreciation, amortization and impairment | 25 | 7,358,976 | 7,283,508 | 14,912,572 |
| (v) Others expenses | 26 | 33,377,638 | 40,140,284 | 95,376,298 |
| (IV) Total expenses | | 831,324,202 | 779,186,884 | 1,679,454,406 |
| (V) Profit before tax (III - IV) | | 222,112,208 | 206,635,156 | 379,374,980 |
| (VI) Tax expenses | | | | |
| (i) Current tax | | 63,667,991 | 59,308,425 | 122,938,703 |
| (ii) Deferred tax | | -7,286,490 | -12,417,730 | -21,114,340 |
| (iii) Adjustment of tax relating to earlier periods | | 5,542,836 | 0 | 213,486 |
| (VI) Total tax expenses | | 61,924,337 | 46,890,695 | 102,037,849 |
| (VII) Profit for the period (V - VI) | | 160,187,871 | 159,744,462 | 277,337,131 |
| (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 | | 797,803 | 32,729 | -475,824 |
| Income tax relating to items that will not be reclassified to profit or loss | | -200,791 | -8,237 | 119,755 |
| Other comprehensive income / (loss) | | 597,012 | 24,492 | -356,069 |
| (IX) Total comprehensive income for the period (VII + VIII) | | 160,784,883 | 159,768,954 | 276,981,062 |

Place : Vijaywada
Date : 14-11-2020



IKF Finance Limited

Notes to financial statements for the period ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Unaudited as on 30 September, 2020 | Audited as on 31 March, 2020 |
|--|--|------------------------------------|
| 1 Cash and cash equivalents | | |
| - Cash on hand | 5,343,511 | 598,859 |
| - Balance with bank in current accounts | 518,752,672 | 247,962,584 |
| Total | 524,096,182 | 248,561,443 |
| 2 Bank balance other than cash and cash equivalents | | |
| - Bank balance other than cash & cash equivalents | 355,493,086 | 377,492,830 |
| Total | 355,493,086 | 377,492,830 |
| 3 Receivables | | |
| - Trader receivables | 1,164,004 | 2,395,567 |
| Less: Provision for impairment | 369,801 | 0 |
| Total | 794,203 | 2,395,567 |
| 4 Loans | | |
| - Term loans | 13,619,325,142 | 12,966,403,512 |
| - Term loans - related parties | 0 | 0 |
| - Staff Loans | 1,869,174 | 1,894,526 |
| Total | 13,621,194,316 | 12,968,298,038 |
| Less Impairment loss allowance | 403,369,154 | 367,210,033 |
| Total Net of Impairment loss allowance | 13,217,825,163 | 12,601,088,006 |
| 5 Other Financial Assets | | |
| - Rent and utility deposit | 14,328,254 | 14,489,581 |
| - Excess Interest Spread (EIS) Receivables | 14,945,371 | 19,602,133 |
| Total | 29,273,625 | 34,091,714 |
| 6 Investments | | |
| - Subsidiary - IKF Home Finance Limited | 452,509,704 | 452,509,704 |
| Total | 452,509,704 | 452,509,704 |
| 7 Other Non-Financial Assets | | |
| - Prepaid expenses | 1,211,569 | 2,929,873 |
| - Advances to employees | 0 | 20,262 |
| - GST input credit | 31,924,243 | 29,678,595 |
| - Other - Unsecured, considered good | 3,827,439 | 2,845,141 |
| Total | 36,963,251 | 35,473,870 |

Place : Vijaywada

Date : 14-11-2020



IKF Finance Limited

Notes to financial statements for the period ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Unaudited as on 30 September, 2020 | Audited as on 31 March, 2020 |
|---|--|------------------------------------|
| 11 Debt Securities | | |
| Secured | | |
| - Non convertible debentures | 2,643,452,205 | 76,966,353 |
| Unsecured | | |
| - Other non convertible debentures | 231,270,217 | 534,010,267 |
| - Commercial paper | 0 | 0 |
| Total | 2,874,722,423 | 610,976,621 |
| 12 Borrowings (other than debt securities) | | |
| Term loans (Secured) | | |
| - from banks | 3,462,269,361 | 4,349,952,855 |
| - from non banking financial companies | 1,065,479,373 | 1,303,220,800 |
| - from financial institutions | 584,804,387 | 0 |
| Loans repayable on demand (Secured): | | |
| - Cash credit from Bank | 1,426,228,849 | 2,124,226,200 |
| - Associated liabilities in respect of securitisation transaction | 1,155,434,772 | 1,537,689,533 |
| Total | 7,694,216,742 | 9,315,089,389 |
| 13 Subordinated Liabilities | | |
| - Non convertible debentures (Tier-II) | 506,941,613 | 495,076,186 |
| - Indian rupee loan from banks (Tier-II) | 150,000,000 | 150,000,000 |
| Total | 656,941,613 | 645,076,186 |
| 14 Other financial liabilities | | |
| - Lease Liabilities | 4,312,797 | 6,822,877 |
| - Employee benefits payable | 13,679,658 | 9,282,701 |
| - Expenses payables | 1,930,572 | 1,570,842 |
| - Other payables | 40,450,707 | 56,147,988 |
| - Deposit from franchises | 49,511,568 | 49,573,538 |
| - Payable towards securitisation / assignment transactions | 188,357,050 | 150,485,728 |
| Total | 298,242,352 | 273,883,674 |
| 15 Provisions | | |
| - Provision for gratuity | 10,302,728 | 9,640,475 |
| - Provision for leave benefits | 13,496,220 | 11,207,757 |
| Total | 23,798,948 | 20,848,232 |
| 16 Other non-financial liabilities | | |
| - Statutory dues payable | 9,602,866 | 11,869,011 |
| Total | 9,602,866 | 11,869,011 |

Place : Vijaywada
Date : 14-11-2020



IKF Finance Limited

Notes to financial statements for the period ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Unaudited as on 30 September, 2020 | Audited as on 31 March, 2020 |
|---|--|------------------------------------|
| 17 Equity share capital | | |
| Authorised Capital | | |
| - 6,00,00,000 equity shares of INR 10 each | 600,000,000 | 600,000,000 |
| - 25,00,000 preference shares of INR 100 each | 250,000,000 | 250,000,000 |
| Issued, subscribed and fully paid-up shares | | |
| - Equity shares of INR 10 each fully paid up | 474,793,789 | 474,793,789 |
| Issued, Subscribed and paid up - party paid | | |
| - Equity shares of Rs.10 each, partly paid-up of Rs. 5.40 per share | 27,970,316 | 27,970,316 |
| Total | 502,764,105 | 502,764,105 |
| 18 Other equity | | |
| - Capital reserve | 3,250,000 | 3,250,000 |
| - Securities premium reserve | 908,506,280 | 908,506,280 |
| - Share Based Payment reserve | 2,848,981 | 1,755,976 |
| - Statutory Reserve under section 45-IC of the Reserve | 354,931,988 | 354,931,988 |
| - General reserve | 86,041,600 | 86,041,600 |
| - Retained earnings | 1,279,620,332 | 1,118,835,450 |
| Total | 2,635,199,182 | 2,473,321,294 |

Place : Vijaywada

Date : 14-11-2020



IKF Finance Limited

Notes to financial statements for the period ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Unaudited as on 30 September, 2020 | Unaudited as on 30 September, 2019 | Audited as on 31 March, 2020 |
|---|--|--|------------------------------------|
| 19 Interest income | | | |
| - Interest on loans | 1,040,738,949 | 973,756,600 | 2,034,424,978 |
| - Interest on deposits with banks | 11,563,790 | 10,581,777 | 22,371,790 |
| Total | 1,052,302,739 | 984,338,377 | 2,056,796,767 |
| 20 Fees and commission income | | | |
| - Other fees and charges | 0 | 0 | 110,000 |
| Total | 0 | 0 | 110,000 |
| 21 Other income | | | |
| - Interest on income tax refund | 768,271 | 1,064,499 | 1,064,499 |
| - Rental income | 254,240 | 381,360 | 762,720 |
| - Miscellaneous Income | 111,160 | 37,805 | 95,399 |
| Total | 1,133,671 | 1,483,664 | 1,922,618 |
| 22 Finance costs | | | |
| - Interest on deposits | 4,375,453 | 5,355,163 | 9,512,558 |
| - Interest on borrowings | 363,934,298 | 365,299,600 | 755,804,336 |
| - Interest on commercial paper and bonds | 0 | 0 | 3,320,890 |
| - Interest on debentures | 69,802,011 | 78,471,706 | 183,324,868 |
| - Interest on subordinated liabilities | 43,176,825 | 19,260,975 | 1,575,686 |
| - Interest on lease liabilities | 302,221 | 473,326 | 894,930 |
| - Interest on securitisation | 65,353,996 | 65,972,977 | 155,061,052 |
| - Interest on ICDs | 11,139,727 | 0 | 0 |
| - Bank Charges | 108,880 | 382,898 | 900,104 |
| - Other finance cost | 27,664,691 | 27,049,044 | 44,767,533 |
| Total | 585,858,100 | 562,265,689 | 1,155,161,957 |
| 23 Impairment on financial instruments | | | |
| - Loans | 36,159,121 | 25,461,865 | 106,700,705 |
| - Trade receivables | 369,801 | 0 | 2,570,268 |
| - Bad debts and write offs | 42,506,399 | 22,897,821 | 54,202,506 |
| Total | 79,035,321 | 48,359,686 | 163,473,479 |

Place : Vijaywada
Date : 14-11-2020



IKF Finance Limited

Notes to financial statements for the period ended 30 September, 2020

(Currency : INR in rupees)

| Particulars | Unaudited as on 30 September, 2020 | Unaudited as on 30 September, 2019 | Audited as on 31 March, 2020 |
|---|--|--|------------------------------------|
| 24 Employee benefits expenses | | | |
| - Salaries and wages | 112,365,380 | 108,101,023 | 222,335,184 |
| - Contribution to provident and other funds | 6,105,688 | 6,615,064 | 13,342,393 |
| - Share based payment to employees | 1,093,005 | 663,885 | 1,755,976 |
| - Staff welfare expenses | 1,628,978 | 2,008,159 | 4,918,789 |
| - Gratuity | 1,582,971 | 1,254,694 | 2,931,906 |
| - Leave encashment | 2,918,146 | 2,494,893 | 5,245,853 |
| Total | 125,694,168 | 121,137,718 | 250,530,101 |
| 25 Depreciation, amortization and impairment | | | |
| - Depreciation on property, plant and equipment | 5,376,470 | 5,593,711 | 11,357,399 |
| - Depreciation on investment property | 8,508 | 8,508 | 17,015 |
| - Amortization of intangible assets | 1,973,998 | 1,681,289 | 3,538,157 |
| Total | 7,358,976 | 7,283,508 | 14,912,572 |
| 26 Other expenses | | | |
| - Rent | 8,337,025 | 9,421,839 | 19,666,360 |
| - Communication cost | 1,902,984 | 2,509,251 | 5,439,416 |
| - Travelling and conveyance | 1,626,276 | 8,405,507 | 16,596,630 |
| - Rates and taxes | 6,620,566 | 7,436,280 | 18,850,149 |
| - Insurance | 229,242 | 183,666 | 395,982 |
| - Commission and Brokerage | 112,832 | 738,929 | 3,250,774 |
| - Repairs and maintenance | 2,809,384 | 2,691,288 | 5,031,043 |
| - Printing and stationary | 658,683 | 319,854 | 965,597 |
| - Payment to auditors | 1,479,794 | 1,253,474 | 3,257,377 |
| - Advertisement, publicity and sales promotion expenses | 14,780 | 5,000 | 699,388 |
| - Operation Cost | 1,348,060 | 1,645,567 | 3,454,159 |
| - Legal and professional fees | 4,477,547 | 3,668,564 | 8,942,435 |
| - Corporate social responsibility | 3,006,400 | 86,000 | 5,086,000 |
| - Provision | 0 | 0 | 70,376 |
| - Loss on sale of property, plant and equipment | 0 | 303,056 | 303,055 |
| - Miscellaneous expenses | 754,065 | 1,472,008 | 3,367,558 |
| Total | 33,377,638 | 40,140,284 | 95,376,298 |

Place : Vijaywada

Date : 14-11-2020

For IKF Finance Limited

(V.G.K. PRASAD)

Managing Director