

# SGCO & Co.LLP

Chartered Accountants

## Independent Auditor's Review Report on Quarterly Unaudited Standalone Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,  
The Board of Directors  
IKF Finance Limited

1. We have reviewed the accompanying Statement of unaudited Standalone Financial Results of IKF Finance Limited (the "Company") for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (IND AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information is limited primarily to inquiries of Company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in IND AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 'including the manner in which .it is to be disclosed, or that it contains any material misstatement.

**For S G C O & Co, LLP**  
Chartered Accountants  
FRN. 112081W/W100184

SURESH  
PRAHLADRAI  
MURARKA

**Suresh Murarka**

Partner

Mem. No.: 044739

UDIN: 23044739BGUNRR5115

Place: Mumbai  
Date: August 11, 2023

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Standalone Financial Results for the Quarter Ended June 30,2023					(Rs in Lacs)
	Particulars	Quarter Ended			Year Ended
		June 30,2023 Reviewed	March 31, 2023 (Audited) ( Ref Note 7)	June 30,2022 Reviewed	March 31, 2023 (Audited)
<b>1</b>	<b>Revenue from operations</b>				
	(a) Interest income	8857.09	8,536.17	6004.02	28,401.52
	(b) Fees and commission income	12.72	118.29	15.87	240.36
	<b>Total revenue from operations</b>	<b>8,869.81</b>	<b>8,654.46</b>	<b>6,019.89</b>	<b>28,641.88</b>
<b>2</b>	Other income	2.56	11.07	2.17	17.80
<b>3</b>	<b>Total income (1 + 2)</b>	<b>8,872.37</b>	<b>8,665.53</b>	<b>6,022.06</b>	<b>28,659.68</b>
<b>4</b>	<b>Expenses</b>				
	(a) Finance costs	4853.15	4,758.33	3063.82	15,402.63
	(b) Impairment on financial instruments	235.56	(227.36)	211.47	539.85
	(c) Employee benefits expenses	1614.93	1,321.69	825.78	4,297.44
	(d) Depreciation, amortization and impairment	69.48	71.16	63.61	264.23
	(e) Others expenses	439.59	438.65	288.86	1,424.80
	<b>Total expenses</b>	<b>7,212.71</b>	<b>6,362.47</b>	<b>4,453.54</b>	<b>21,928.95</b>
<b>5</b>	<b>Profit before tax (3 - 4)</b>	<b>1,659.66</b>	<b>2,303.06</b>	<b>1,568.52</b>	<b>6,730.73</b>
<b>6</b>	<b>Tax expenses</b>				
	(a) Current tax	550.64	379.77	418.66	1,461.47
	(b) Deferred tax	-123.66	202.66	-13.09	255.84
	(c) Adjustment of tax relating to earlier periods	-0.27	12.47	0.00	12.91
<b>7</b>	<b>Net Profit for the period (5 - 6)</b>	<b>1,232.95</b>	<b>1,708.16</b>	<b>1,162.95</b>	<b>5,000.51</b>
<b>8</b>	<b>Other comprehensive income</b>				
	(A) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans	-10.41	6.94	14.50	13.18
	(b) Income tax relating to items that will not be reclassified to profit or loss	2.62	-1.75	-3.65	-3.32
<b>9</b>	<b>Total Comprehensive Income (7 + 8)</b>	<b>1,225.16</b>	<b>1,713.35</b>	<b>1,173.80</b>	<b>5,010.37</b>
<b>10</b>	<b>Earnings per Share (Rs) (Face Value of Rs.10/- each)</b>				
	- Basic (Not Annualised)	<b>1.91</b>	<b>3.18</b>	<b>2.21</b>	<b>9.31</b>
	- Diluted (Not Annualised)	<b>1.91</b>	<b>3.18</b>	<b>2.21</b>	<b>9.31</b>

**Notes:**

- IKF Finance Limited (the 'Company') has prepared financial results (the 'Statement') for the Quarter ended June 30,2023 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.
- 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 August 11, 2023.
- The above financial results for the quarter ended June 30,2023 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report
- The Company is engaged primarily in the business of financing and accordingly there is no separate reportable segment as per Ind AS 108 dealing with "Operating Segments"
- Details of loans transferred / acquired during the quarter ended June 30,2023 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Particulars	Transferred / Acquired during the quarter ended June 30,2023	
	Transferred	Acquired
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	2973.57	-
Weighted average maturity (in Months)	25.92	-
Weighted average holding period (in Months)	9.34	-
Retention of beneficial economic interest by the originator	10%	-
Tangible security Coverage	100%	-
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

- The Company has not transferred any non-performing assets (NPAs)
- The Company has not transferred any Special Mention Account (SMA) and loan not in default.
- The Company has not acquired any loans not in default through assignment.
- The Company has not acquired any stressed loan.

- 6 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.
- 7 The figures for the last quarter of the 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 previous financial year which were subjected to limited review by statutory auditors.
- 8 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.
- 9 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
		June 30,2023 Reviewed	March 31, 2023 (Audited) ( Ref Note 7)	June 30,2022 Reviewed	March 31, 2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii )	2.72	2.94	3.46	2.94
b)	Debt service coverage ratio	N/A	N/A	N/A	N/A
c)	Interest service coverage ratio	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
f)	Debenture redemption reserve	N/A	N/A	N/A	N/A
g)	Net worth (refer note iii)	69,817.30	69,249.99	39,906.34	69,249.99
h)	Net profit (loss) after tax	1,232.95	1,708.16	1,162.95	5,000.51
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)				
	-Basic (Rupees)	1.91	3.18	2.21	9.31
	-Diluted (Rupees)	1.91	3.18	2.21	9.31
j)	Current ratio	N/A	N/A	N/A	N/A
k)	Long term debt to working capital	5.73	6.80	3.21	6.80
l)	Bad debts to Account receivable ratio	N/A	N/A	N/A	N/A
m)	Current liability ratio	N/A	N/A	N/A	N/A
n)	Total debts to total assets (refer note iv)	72.02%	73.68%	76.51%	73.68%
o)	Debtors turnover	N/A	N/A	N/A	N/A
p)	Inventory turnover	N/A	N/A	N/A	N/A
q)	Operating margin (%)	N/A	N/A	N/A	N/A
r)	Net profit margin (%) (refer note v)	13.90%	19.71%	19.31%	17.45%
s)	Sector specific equivalent ratios, as applicable.				
	1) Capital Adequacy Ratio (%) (refer note vi)	31.18%	33.02%	24.11%	33.02%
	2) Gross Stage-3 Assets % (refer note vii)	2.69%	2.83%	2.71%	2.83%
	3) Net Stage-3 Assets % (refer note viii)	2.14%	2.26%	1.83%	2.26%
	4) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix)	20.61%	20.75%	33.13%	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 with the
- ii) Debt equity ratio=[Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital + Other
- 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
- ix) Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets/Gross Stage-3 Assets

I on behalf of the Board of Directors  
Vasumathi Devi Koganti

VASUMATHI  
DEVI KOGANTI

Managing Director

Place : Hyderabad  
Date: August 11,2023