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Limited Review Report on unaudited standalone financial results of IKF Finance Limited for the Quarter ended December 31,2024 pursuant to the Regulation 52 read with Regulation 63(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended.

To,
The Board of Directors
IKF Finance Limited
40-1-144,1st Floor,
Corporate Centre, M.G. Road,
Vijayawada, Andhra Pradesh-520010.

1. We have reviewed the accompanying standalone unaudited financial results (“the Statement”) of **IKF Finance Limited** (“the Company”) for the quarter and nine months ended December 31, 2024, being submitted by the Company pursuant to the requirement Regulation 52 read with the Regulation 63 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“IND AS 34”) prescribed under section 133 of Companies Act, 2013, as amended (“the Act”) read with relevant rules issued thereunder, directions/ guidelines issued by the Reserve Bank of India (‘RBI’) and other recognized accounting practices generally accepted in India and is in compliance with Regulation 52 read with regulation 63 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015, as amended (the ‘Listing Regulations 2015’). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 consists of making inquiries, primarily of persons 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 of Auditing specified under section 143(10) of the Act 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 and 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 of unaudited standalone financial results has not been prepared in accordance with applicable Indian accounting standards i.e. Accounting Standards prescribed under Section 133 of the Act, , and read with relevant rules issued there under or by the Institute of Chartered Accountant of India, RBI guidelines and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement .
5. Other Matter
- a. The comparative figures for the corresponding quarter and nine months ended December 31, 2023, were reviewed by previous Statutory auditors, whose report dated February 13,2024, expressed an unmodified opinion.
- b. The comparative figures for the corresponding year ended March 31, 2024, were audited by previous Statutory auditors whose report dated May 29, 2024, expressed an unmodified opinion.

We do not express any conclusion /opinion as the case may be, on the figures so reported in comparative figures as mentioned above.

6. A copy of the unaudited quarter and nine months ended financial results of the Company for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

Nilesh
Ramesh
Joshi.

Digitally signed by Nilesh Ramesh Joshi.
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Nilesh RS Joshi
Partner

Membership No. 114749
UDIN: 25114749BMILNU2740

Place: Mumbai
Date: February 07,2025

IKF Finance Limited

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Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended December 31, 2024

(Rs in Lakhs)

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2024 (Unaudited)	September 30, 2024 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)	March 31, 2024 (Audited)
1	Revenue from operations						
	(a) Interest income	16,068.17	14,856.68	11,038.67	44,529.98	30,025.75	42,140.64
	(b) Fees and commission income	189.94	131.38	147.58	436.87	326.63	523.06
	(c) Net gain(Loss) on de recognition of financial instruments under amortised cost	382.86	1,161.27	-175.70	979.66	-723.74	500.93
	(d) Net gain on fair value changes	112.70	13.32	79.11	170.73	210.66	238.27
	(e) Other Operating Income	0.00	0.01	1.07	0.05	2.64	19.64
	Total revenue from operations	16,753.67	16,162.66	11,090.74	46,117.29	29,841.94	43,422.54
2	Other income	202.66	264.53	21.36	704.76	172.58	325.04
3	Total income (1 + 2)	16,956.33	16,427.19	11,112.10	46,822.05	30,014.52	43,747.58
4	Expenses						
	(a) Finance costs	8,755.35	7,891.91	5,784.11	23,761.34	15,780.29	22,022.85
	(b) Impairment on financial instruments	872.33	563.91	495.30	2,078.20	1,148.09	1,640.51
	(c) Employee benefits expenses	2,766.64	2,596.02	1,737.65	7,662.61	5,022.66	7,329.16
	(d) Depreciation, amortization and impairment	84.30	83.45	76.06	253.72	224.93	340.89
	(e) Others expenses	720.07	661.38	525.07	2,157.94	1,502.70	2,076.54
	Total expenses	13,198.69	11,796.67	8,618.19	35,913.81	23,678.67	33,409.95
5	Profit before tax (3 - 4)	3,757.64	4,630.52	2,493.91	10,908.24	6,335.85	10,337.63
6	Tax expenses						
	(a) Current tax	836.72	846.43	759.26	2,530.02	1,884.72	2,600.55
	(b) Deferred tax	112.74	334.28	-127.46	240.71	-271.60	30.82
	(c) Adjustment of tax relating to earlier periods	0.00	0.00	0.03	-8.99	8.82	8.82
7	Profit for the period (5 - 6)	2,808.18	3,449.80	1,862.08	8,146.50	4,713.91	7,697.44
8	Other comprehensive income						
	(A) Items that will not be reclassified to profit or loss						
	(a) Remeasurements of the defined benefit plans	19.72	-31.65	8.65	-1.94	5.58	-4.36
	(b) Income tax relating to items that will not be reclassified to profit or loss	-4.96	7.96	-2.18	0.49	-1.40	1.10
9	Total Comprehensive Income (7 + 8)	2,822.94	3,426.11	1,868.55	8,145.05	4,718.09	7,694.18
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)						
	- Basic (Not Annualised)	4.00	4.92	2.77	11.61	7.01	11.32
	- Diluted (Not Annualised)	3.99	4.91	2.77	11.60	7.00	11.31

- 1 IKF Finance Limited (the 'Company') has prepared un audited financial results (the 'Statement') in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and accordingly, these unaudited financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act"), directions/ guidelines issued by the Reserve Bank of India ('RBI') and other recognized accounting practices generally accepted in India. The above unaudited standalone financial results are in compliance with regulation 52 read with regulation 63 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations 2015').
- 2 The Material accounting policies that are applied in preparation of these unaudited standalone financial results are consistent with those followed in the Standalone financial statements for the year ended March 31, 2024. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under that circular/direction.
- 3 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 February 07, 2025. The Financial results for the quarter and nine months ended December 31, 2024 have been subject to Limited Review by the statutory auditor of the company, Mukund M Chitale & Co. An unmodified review report has been issued by them thereon
- 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 Details of loans transferred / acquired during the Quarter ended December 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 through assignment during the Quarter and Nine months ended December 31, 2024

Particulars	Quarter Ended December 31, 2024	Nine Months Period ended December 31, 2024
Aggregate amount of loans transferred (Rs.in lakhs)	11669.68	25070.52
Weighted average maturity (in Months)	29.98	36.25
Weighted average holding period (in Months)	9.98	10.60
Retention of beneficial economic interest by the originator	10%	10%
Tangible security Coverage	100%	100%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

(ii) The Company has not transferred any non-performing assets (NPAs) during the Quarter and nine months ended December 31, 2024

(iii) The Company has not transferred any Special Mention Account (SMA) and loan not in default during the Quarter and nine months ended December 31, 2024

(iv) The Company has not acquired any loans not in default through assignment during the Quarter and nine months ended December 31, 2024

(v) The Company has not acquired any stressed loan during the Quarter and nine months ended December 31, 2024

- 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 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at December 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.
- 8 The figures for the quarter ended December 31, 2024 and December 31, 2023 are the Balancing figures between reviewed nine month ended figures and half yearly reviewed figures for the half year ended September 30, 2024 and September 30, 2023 respectively
- 9 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.
- 10 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.
- 11 Previous period figures have been regrouped/ reclassified wherever required.

