

Limited review report on unaudited financial results of the Company for quarter and nine month ended December 31, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To,
The Board of Directors
IKF Finance Limited**

1. We have reviewed the accompanying Statement of unaudited financial Results of **IKF Finance Limited** ('the Company') for the quarter and nine month ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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 recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion 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 Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel responsible for financial and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed 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 financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Murarka
Partner
Mem. No.: 044739
UDIN: 23044739BGUNLI4843

Place: Mumbai
Date: February 10, 2023

Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31,2022

(Rs in Lacs)

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31,2022 (Unaudited)	September 30,2022 (Unaudited)	December 31,2021 (Unaudited)	December 31,2022 (Unaudited)	December 31,2021 (Unaudited)	March 31,2022 (Audited)
1	Revenue from operations						
	(a) Interest income	7552.58	6308.75	5362.72	19,865.35	15,822.35	21,899.30
	(b) Fees and commission income	39.12	67.08	10.75	122.06	78.94	160.21
	Total revenue from operations	7,591.70	6,375.83	5,373.47	19,987.41	15,901.29	22,059.51
2	Other income	2.44	2.11	12.78	6.73	16.93	63.31
3	Total income (1 + 2)	7,594.14	6,377.94	5,386.25	19,994.14	15,918.22	22,122.82
4	Expenses						
	(a) Finance costs	4246.15	3334.32	3035.91	10,644.30	8,853.65	11,787.65
	(b) Impairment on financial instruments	279.66	276.09	40.87	767.21	559.28	511.78
	(c) Employee benefits expenses	1138.59	1011.38	782.55	2,975.75	2,266.10	3,248.03
	(d) Depreciation, amortization and impairment	64.32	65.14	31.47	193.08	97.46	128.96
	(e) Others expenses	368.34	328.95	250.85	986.15	691.85	1,019.11
	Total expenses	6,097.06	5,015.88	4,141.65	15,566.49	12,468.34	16,695.53
5	Profit before tax (3 - 4)	1,497.08	1,362.06	1,244.60	4,427.65	3,449.88	5,427.29
6	Tax expenses						
	(a) Current tax	284.54	378.50	270.78	1,081.70	716.84	1,487.04
	(b) Deferred tax	96.32	-30.06	47.90	53.18	167.71	-100.25
	(c) Adjustment of tax relating to earlier periods	0.44	0.00	0.00	0.44	0.00	10.06
7	Net Profit for the period (5 - 6)	1,115.78	1,013.62	925.92	3,292.33	2,565.33	4,030.44
8	Other comprehensive income						
	(A) Items that will not be reclassified to profit or loss						
	(a) Remeasurements of the defined benefit plans	1.66	-9.92	5.04	6.24	9.71	11.07
	(b) Income tax relating to items that will not be reclassified to profit or loss	-0.42	2.50	-1.27	-1.57	-2.44	-2.79
9	Total Comprehensive Income (7 + 8)	1,117.02	1,006.20	929.69	3,297.00	2,572.60	4,038.72
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)						
	- Basic (Not Annualised)	2.11	1.92	1.79	6.22	4.96	7.80
	- Diluted (Not Annualised)	2.11	1.92	1.79	6.22	4.96	7.80

Notes:

- IKF Finance Limited (the 'Company') has prepared an audited financial results (the 'Statement') for the Quarter ended and the Nine Months Ended December 31, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations 2015') and the Indian 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 February 10,2023.
- 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 Period ended December31,2022 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
 - Details of loans not in default transferred / acquired through assignment during the period nine months ended December 31,2022

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	10091.65	3716.81
Weighted average maturity (in months)	28.41	18.26
Weighted average holding period (in months)	9.12	7.92
Retention of beneficial economic interest by the originator	10.00%	13.00%
Tangible security Coverage	100.00%	100.00%
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.
- 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.
- 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.
- 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 /

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	82.81	-	-	0.31	82.50
Total	82.81	-	-	0.31	82.50

- The PCR shown below is arrived by dividing the ECL provision on actual 90+ DPD loans as on reporting date with GNPA considered on daily DPD basis. If considered the actual 90+ DPD loans as on reporting date, the PCR would have been 34.68%
- Previous period figures have been regrouped/ reclassified wherever required.

Appendix 1

Analytical Ratios and other disclosures based on Standalone financial results:

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31,2022 (Unaudited)	September 30,2022 (Unaudited)	December 31,2021 (Unaudited)	December 31,2022 (Unaudited)	December 31,2021 (Unaudited)	March 31,2022 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	4.18	4.07	3.59	4.18	3.59	3.37
b)	Debt service coverage ratio	N/A	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	N/A
d)	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
e)	Capital redemption reserve	N/A	N/A	N/A	N/A	N/A	N/A
f)	Debenture redemption reserve	N/A	N/A	N/A	N/A	N/A	N/A
g)	Net worth (refer note iii)	45,949.25	40,912.75	36,559.47	45,949.25	36,559.47	38,736.77
h)	Net profit (loss) after tax	1,115.78	1,013.62	925.92	3,292.33	2,565.33	4,030.44
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)						
	-Basic (Rupees)	2.11	1.92	1.79	6.22	4.96	7.80
	-Diluted (Rupees)	2.11	1.92	1.79	6.22	4.96	7.80
j)	Current ratio	N/A	N/A	N/A	N/A	N/A	N/A
k)	Long term debt to working capital	6.53	4.79	4.92	6.53	4.92	3.00
l)	Bad debts to Account receivable ratio	N/A	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/A
n)	Total debts to total assets (refer note iv)	79.60%	79.20%	77.09%	79.60%	77.09%	76.04%
o)	Debtors turnover	N/A	N/A	N/A	N/A	N/A	N/A
p)	Inventory turnover	N/A	N/A	N/A	N/A	N/A	N/A
q)	Operating margin (%)	N/A	N/A	N/A	N/A	N/A	N/A
r)	Net profit margin (%) (refer note v)	14.69%	15.89%	17.19%	16.47%	16.12%	18.22%
s)	Sector specific equivalent ratios, as applicable.						
	1) Capital Adequacy Ratio (%) (refer note vi)	25.83%	22.04%	24.49%	25.83%	24.49%	24.11%
	2) Gross Stage-3 Assets % (refer note vii)	2.87%	2.53%	3.31%	2.87%	3.31%	2.72%
	3) Net Stage-3 Assets % (refer note viii)	2.12%	1.70%	2.47%	2.12%	2.47%	1.82%
	4) Provision Coverage Ratio for Stage-3 assets (PCR % (refer note ix)	26.63%	33.42%	26.03%	26.63%	26.03%	33.78%

Notes:

- 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
- Debt equity ratio=[Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital + Other equity]
- Net worth = [Equity share capital +Other equity]
- Total debts to total assets=[Debt Securities + Borrowings (Other than Debt Securities)+ Deposits+ Subordinated Liabilities]/Total assets
- Net profit margin = Profit after tax/Total income
- Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets/Gross loan assets
- 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)
- Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets/Gross Stage-3 Assets

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

Place : Hyderabad
Date: February 10,2023

Managing Director