

November 14, 2020

To

BSE Limited
P J Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Sub: Outcome of Board Meeting

Dear Sir/ Madam

This is to inform you that the Board of Directors of the Company at its meeting held today has, approved inter alia, the following:

- a) The Unaudited Financial Results of the Company for the half year ended September 30, 2020 together with the Limited Review Report of the Statutory Auditors' thereon;
- b) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- c) Information as required pursuant to Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/DDHS/08/2020 dated January 17, 2020.

The Certificates of the Debenture Trustees, required under Regulation 52(5) of the Listing Regulations are being sent separately.

Kindly take the above on record.

Thanking you,

Yours faithfully,
For IKF Finance Limited

GOPALA KISHAN PRASAD VUPPUTURI
Digitally signed by GOPALA KISHAN PRASAD VUPPUTURI
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2.5.4.20=811d26001a029d4ad491f165d26664e0039a,
3a1be6ba46fa0490cc2320f6a1, postalCode=520002,
re=ANCHANA.PRASAD@
serialNumber=bd472d5f33ca0c81a5d6c6b52097f6,
7452765c1747480405d6f5121606b, cn=GOPALA
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V G K Prasad
Managing Director

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VUPPURI
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3a1eb7ba46fba090cc23020fe1, postalCode=520008,
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serialNumber=b4742ed9f3ca0cf681a68dc6bf520276,
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IKF Finance Limited

Registered Office: #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.
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CIN:U65992AP1991PLC012736

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

**Review Report 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 half year ended September 30, 2020 (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 approved by the Company's 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 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 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 Statement is 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 on Auditing 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified 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.
5. We draw attention to Note 6 to the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

**JITENDRA
HIRACHAND
RANAWAT**

Digitally signed by JITENDRA
HIRACHAND RANAWAT
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email=jitendra.ranawat@srb.in
Date: 2020.11.14 11:48:30 +05'30'

per Jitendra H. Ranawat
Partner
Membership No.: 103380
UDIN: 20103380AAAADT4096
Mumbai
November 14, 2020

IKF Finance Limited

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Website: www.ikffinance.com

**Financial Results for the half year ended September 30, 2020****(Rs in Lacs)**

	Particulars	Half Year Ended		Year Ended
		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited) (Refer note 5)	March 31, 2020 (Audited)
1	Revenue from operations			
	(a) Interest income	10,523.03	9,843.38	20,567.97
	(b) Fees and commission income	0.00	0.00	1.10
	Total revenue from operations	10,523.03	9,843.38	20,569.07
2	Other income	11.34	14.84	19.23
3	Total income (1 + 2)	10,534.37	9,858.22	20,588.30
4	Expenses			
	(a) Finance costs	5,858.58	5,622.66	11,551.62
	(b) Impairment on financial instruments	790.35	483.60	1,634.73
	(c) Employee benefits expenses	1,256.94	1,211.38	2,505.30
	(d) Depreciation, amortization and impairment	73.59	72.84	149.13
	(e) Others expenses	333.78	401.40	953.76
	Total expenses	8,313.24	7,791.88	16,794.54
5	Profit/(Loss) before tax (3 - 4)	2,221.13	2,066.34	3,793.76
6	Tax expenses			
	(a) Current tax	636.68	593.08	1,229.39
	(b) Deferred tax	-72.86	-124.18	-211.14
	(c) Adjustment of tax relating to earlier periods	55.43	0.00	2.13
7	Net Profit/(Loss) for the period (5 - 6)	1,601.88	1,597.44	2,773.38
8	Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans	7.98	0.33	-4.76
	(b) Income tax relating to items that will not be reclassified to profit or loss	-2.01	-0.08	1.20
9	Total Comprehensive Income / (Loss) (7 + 8)	1,607.85	1,597.69	2,769.82
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)			
	- Basic (Not Annualised)	3.19	3.18	5.52
	- Diluted (Not Annualised)	3.19	3.18	5.51

Notes:

- 1 IKF Finance Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations') and the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 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 November 14, 2020.
- 3 In compliance with Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended a limited review of financial results for the half year ended September 30, 2020 has been carried out by the Statutory Auditors.

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- 4 In terms of Ind AS 108 "Operating Segment", the Company has one business segment i.e. giving loans and all other activities revolve around the said business.
- 5 Results for the half year ended September 30, 2019 have been restated as per Ind AS, prepared and certified by management of the Company and have not been subjected to Limited review or audit. The management has exercised due diligence to ensure that Financial results provide a true and fair view of the Company's affairs.
- 6 Consequent to the outbreak of COVID – 19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones. The impact of COVID – 19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, which may persist even after the restrictions related to the COVID – 19 are lifted. While there has been some improvement in economic activities during the current period, the continued slowdown has led to a decrease in loan originations and efficiency in collection efforts. The extent to which the COVID – 19 will continue to impact Company's results, including credit quality and provisions, remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels. The Company holds provisions as at September 30, 2020 against the potential impact of COVID – 19 pandemic based on the information available at this point in time.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020, April 17, 2020 and May 22, 2020, the Company has granted a moratorium for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and Company's lenders to extend moratorium and various other financial support from other banks and other agencies in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

In assessing the recoverability of loans and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

- 7 Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020. Further in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as per Company's expected credit loss policy and provisioned accordingly.

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- 8 The Company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 Regulatory Package' dated March 27, 2020 and 'COVID-19 Regulatory Package – Asset Classification and Provisioning' dated April 17, 2020.

Particulars	(Rs in Lacs)
Respective amounts in SMA/overdue categories, where the moratorium/deferment as extended, in terms of paragraph 2 and 3	73,564.91
Respective amount where asset classification benefits is extended	16,018.94
Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	1,601.89
Provisions adjusted against slippages in terms of paragraph 6 of the circular	0.00
Residual provisions in terms of paragraph 6 of the circular	1,601.89

(Rs in Lacs)

Particulars	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	5,240.96	2,485.61
(b) Bank balance other than included in (a) above	3,554.93	3,774.93
(c) Trade receivables	7.94	23.96
(d) Loans	132,178.25	126,010.88
(e) Investments	4,525.10	4,525.10
(f) Other financial assets	292.74	340.92
Non-financial assets		
(a) Current tax assets (net)	0.00	156.56
(b) Deferred tax assets (net)	415.47	344.61
(c) Investment Property	6.56	6.64
(d) Property, plant and equipment	242.84	272.40
(e) Right of use asset	38.70	63.55
(f) Intangible assets	172.63	178.39
(g) Other non-financial assets	369.63	354.74
TOTAL ASSETS	147,045.75	138,538.29
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Debt securities	28,747.22	6,109.77
(b) Borrowings (other than debt securities)	76,942.17	93,150.90
(c) Subordinated liabilities	6,569.42	6,450.76
(d) Other financial liabilities	2,982.42	2,738.84
Non-financial liabilities		
(a) Current tax liabilities (net)	90.87	0.00
(b) Provisions	237.99	208.48
(c) Other non-financial liabilities	96.03	118.69
Equity		
(a) Equity share capital	5,027.64	5,027.64
(b) Other equity	26,351.99	24,733.21
TOTAL LIABILITIES AND EQUITY	147,045.75	138,538.29

For and on behalf of the Board of Directors

GOPALA KISHAN PRASAD VUPPUTURI

Place : Vijayawada
Date : 14 November, 2020

V G K Prasad
Managing Director

Annexure-A

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Details of Credit Rating as at 30 September, 2020: (Rs. In Lacs)

Instrument category	CARE	Brickworks
i) Long Term Instruments	LT, NCD, CC	LT, CC, Sub-Debt
Rating	CARE A	BWR A
Amount in Lacs	133650	61003
ii) Short Term Instruments		
Rating		
Amount in Lacs		
iii) Market linked debentures		
a. Short Term		
Rating		
Amount in Lacs		
b. Long Term		
Rating		
Amount in Lacs		

- a) There has been following changes in the Credit Rating during the period from 1 April, 2020 to 30 September, 2020.
2. # - As per Rule 18(7)(b)(ii) of the Companies (Share Capital Debentures) Rules, 2017 the Company, being NBFC, is not required to create debenture redemption reserve in respect of privately placed non convertible debentures.
3. ** - Net worth = Equity Shares + Other Equity
 - f) Asset Cover Available: All Secured NCDs issued by the Company are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/or by way of charge / hypothecation of book debts / loan receivables on first pari-passu /

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exclusive charge, as may be applicable, to the extent stated in the respective information memorandum.

- g) Details previous due date, next due date for the payment of interest and repayment of principal of non-convertible debt securities.

Name of the Issuer	ISIN Number	Previous due date from April 1, 2020 to September 30, 2020		Whether paid or Not	Next Due Date from October 1, 2020 to March 31, 2021		Redemption (Principal+ Interest) Amount Rs. in Lacs
		For Interest	For Principle		For Interest	For Principle	
IKF Finance Limited	Physical Debentures	30.04.2020	Not Applicable	Yes	31.10.2020	Not Applicable	2.47
		31.05.2020	Not Applicable	Yes	30.11.2020	Not Applicable	2.47
		30.06.2020	Not Applicable	Yes	31.12.2020	Not Applicable	2.47
		31.07.2020	Not Applicable	Yes	31.01.2021	Not Applicable	2.47
		31.08.2020	Not Applicable	Yes	28.02.2021	Not Applicable	2.47
		30.09.2020	Not Applicable	Yes	31.03.2021	Not Applicable	2.47
IKF Finance Limited	INE859C08012	03.04.2020	Not Applicable	Yes	05.10.2020	Not Applicable	102.62
		03.07.2020	Not Applicable	Yes	04.01.2021	Not Applicable	99.35
IKF Finance Limited	INE859C08020	Not Applicable	Not Applicable	Pre Closed	Not Applicable	Not Applicable	
IKF Finance Limited	INE859C08046	25.06.2020	25.12.2019	Yes	25.12.2020	25.12.2020	181.74
		25.09.2020	25.03.2020	Yes	25.03.2021	25.03.2021	176.98
IKF Finance Limited	INE859C08053	30.04.2020	30.04.2020	Yes	02.11.2020	02.11.2020	163.74
		31.07.2020	31.07.2020	Yes	01.02.2021	01.02.2021	158.84

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IKF Finance Limited	INE859C08061	02.04.2020	Not Applicable	Yes	02.10.2020	Not Applicable	22.95
		04.05.2020	Not Applicable	Yes	02.11.2020	Not Applicable	23.72
		02.06.2020	Not Applicable	Yes	02.12.2020	Not Applicable	22.95
		02.07.2020	Not Applicable	Yes	04.01.2021	Not Applicable	25.31
		03.08.2020	Not Applicable	Yes	02.02.2021	Not Applicable	22.24
		02.09.2020	Not Applicable	Yes	02.03.2021	Not Applicable	21.48
IKF Finance Limited	INE859C07055	19.09.2020	Not Applicable	Yes	19.12.2020	Not Applicable	127.775
					19.03.2021	Not Applicable	126.37
IKF Finance Limited	INE859C07063	Not Applicable	Not Applicable	Not Applicable	21.10.2020	Not Applicable	127.775
		Not Applicable	Not Applicable	Not Applicable	21.01.2021	Not Applicable	129.18
IKF Finance Limited	INE859C07071	Not Applicable	Not Applicable	Not Applicable	20.11.2020	Not Applicable	68.81
					20.02.2021	Not Applicable	68.81
IKF Finance Limited	INE859C07089	Not Applicable	Not Applicable	Not Applicable	27.02.2021	Not Applicable	116.575
IKF Finance Limited	INE859C07097	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Notes:

The Company has paid all the due amounts of interest/principal on the respective due dates during the half year ended September 30, 2020.

The details with regard to interest/principal are provided in the respect of those series, in respect of which the interest/principal payment was due in the previous 6 months (i.e. 1 October, 2019 to 31 March, 2020) or falling due in the next 6 months (i.e 1 April, 2020 to 30 September, 2020).

In case of Benchmark Linked Debentures, coupon is linked to performance of the underlying benchmark indices. Accordingly the coupon will be calculated on the redemption date and will be paid along with the principal mentioned above.

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ANNEXURE A

Statement of Deviation or Variation in the use of proceeds of issue of listed non-convertible debt securities

Statement of Deviation or Variation	
Name of listed entity	IKF Finance Limited
Mode of Fund Raising	Private Placement
Type of instrument	Non-Convertible Debentures
Date of Raising Funds during half year ended September 30, 2020	19.06.2020 22.07.2020 20.08.2020 27.08.2020 18.09.2020
Amount Raised during half year ended September 30, 2020 (in Rs.)	255,00.00,000
Report filed for half year ended	30th September, 2020
Is there a Deviation / Variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	No
If yes, details of the approval so required?	N/A
Date of approval	-
Explanation for the Deviation / Variation	-
Comments of the audit committee after review	-
Comments of the auditors, if any	-
Objects for which funds have been raised and where there has been a deviation, in the following table:	

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Original object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation for the half year according to applicable object (INR Lacs and in %)	Remarks, if any
-	-	-	-	-	-	-

For IKF Finance Limited

GOPALA
KISHAN PRASAD
VUPPUTURI

Digitally signed by GOPALA KISHAN PRASAD
VUPPUTURI
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2.5.4.230e1102001a0398ba0f11f0c3885a8
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V G K Prasad
Managing Director

IKF Finance Limited

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