



May 30, 2022

To

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

Sub: Outcome of Board Meeting

Dear Sir/ Madam

Sub: Intimation under Clause 52 of the SEBI (LODR) Regulations 2015

Ref: INE859C07063, INE859C07105, INE 859C08087, INE 859C08095, INE 859C07147

This is to inform you that the Board of Directors of the Company at its meeting held on May 30, 2022 has, approved inter alia, the following:

- a) Audited Financial Results (Consolidated) of the Company for the half year and year ended March 31, 2022 together with the 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

Kindly take the above on record.

Thanking you,

Yours faithfully,
For IKF Finance Limited

VUPPUTURI
GOPALA KISHAN
PRASAD
PRASAD

Digitally signed by
VUPPUTURI GOPALA KISHAN
PRASAD
Date: 2022.05.30 20:37:50
+05'30'

V G K Prasad
Chairman

IKF Finance Limited

Registered Office: #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.
Ph: 91-866-2474644, 2474633 | Fax: 91-866-2485755 | Email: ikffinance@gmail.com | Web: www.ikffinance.com
Corporate Office: #4th Floor, # 6-3-902/A, Central Plaza, Near Yashoda Hospital,
Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. Ph: 91-40-23412082 | Fax: 91-40-23412081
CIN:U65992AP1991PLC012736

SGCO & Co. LLP

Chartered Accountants

Independent Auditors' Report on Consolidated Annual Financial Results under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022

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

Opinion

We have audited the accompanying consolidated annual financial results of IKF Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate audited financial result of the subsidiary, the aforesaid consolidated annual financial results:

- i. Includes the annual financial result of IKF Home Finance Ltd to the aforesaid consolidated annual financial results:
- ii. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other comprehensive income and other financial information for the year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

4A, Kaledonia,
2nd Floor, Sahar Road,
Near Andheri Station,
Andheri (East),
Mumbai - 400 069

Tel. +91 22 6625 6363
Fax. +91 22 6625 6364
E-mail. info@sgco.co.in
www.sgco.co.in

Mumbai • Delhi



Emphasis of Matter

We draw attention to Note 5 to the statement in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility of the Management and Board of Directors of the entities included in the Group also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, the respective Board of Directors included in the Group are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entity included in the consolidated annual financial results of which we are the independent auditor. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matter

- a. The consolidated annual financial results of the Group for the year ended 31 March 2021 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion vide their report dated 21 July 2021.
- b. The consolidated annual financial results include the audited financial results of one subsidiary, whose financial results reflect Group's share of total assets (before consolidation adjustments) of Rs. 41,257.43 lakhs as at 31 March 2022, Group's share of total revenue (before consolidation adjustments) of Rs. 5,114.89 lakhs, Group's share of total net profit after tax (before consolidation adjustments) of Rs. 1,000.42 lakhs and Group's share of net cash inflows (before consolidation adjustments) of Rs 3,605.96 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their other independent auditor. The independent auditor's reports on financial results of the subsidiary have been furnished to us by the management. Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the reports of such auditor and the procedures performed by us are as stated in paragraph above. Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

For SGC & Co. LLP

Chartered Accountants

Firm's Reg. No.: 112081W/W100184

Suresh Kumar
Murarka

Digitally signed by
Suresh Kumar Murarka
Date: 2022.05.30
20:25:32 +05'30'



Suresh Murarka

Partner

Membership No.:- 044739

UDIN :- 22044739AJXYAQ5269

Date :- 30th May, 2022

Place :- Mumbai

Consolidated Financial Results for the Year ended March 31, 2022

		(Rs in Lacs)	
	Particulars	Year Ended	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
1	Revenue from operations		
	(a) Interest income	26,301.60	23,422.50
	(b) Fees and commission income	660.15	329.07
	Total revenue from operations	26,961.75	23,751.57
2	Other income	207.95	57.33
3	Total income (1 + 2)	27,169.70	23,808.90
4	Expenses		
	(a) Finance costs	13,617.93	12,865.82
	(b) Net loss on fair value changes	3.35	0.00
	(c) Impairment on financial instruments	513.01	781.57
	(d) Employee benefits expenses	4,650.46	3,438.10
	(e) Depreciation, amortization and impairment	190.23	193.18
	(f) Others expenses	1,356.29	1,219.14
	Total expenses	20,331.27	18,497.81
5	Profit before tax (3 - 4)	6,838.43	5,311.09
6	Tax expenses		
	(a) Current tax	1,740.28	1,044.15
	(b) Deferred tax	-24.92	411.32
	(c) Adjustment of tax relating to earlier periods	10.06	65.46
7	Net Profit for the period (5 - 6)	5,113.01	3,790.16
8	Other comprehensive income		
	(A) Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit plans	12.80	16.20
	(b) Income tax relating to items that will not be reclassified to profit or loss	-3.22	-4.08
9	Total Comprehensive Income (7 + 8)	5,122.59	3,802.28
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)		
	- Basic (Not Annualised)	9.89	7.54
	- Diluted (Not Annualised)	9.89	7.53

Balance Sheet as at March 31, 2022

		(Rs in Lacs)	
Particulars		March 31, 2022 (Audited)	March 31, 2021 (Audited)
ASSETS			
Financial assets			
(a) Cash and cash equivalents		9,664.31	14,474.42
(b) Bank balance other than included in (a) above		2,533.65	4,164.82
(c) Trade receivables		28.35	15.88
(d) Loans		1,89,210.12	1,58,784.68
(e) Investments		-	-
(f) Other financial assets		3,193.40	2,017.53
Non-financial assets			
(a) Current tax assets (net)		200.95	217.94
(b) Deferred tax assets (net)		70.34	0.00
(c) Investment Property		114.31	6.47
(d) Property, plant and equipment		343.00	319.40
(e) Right of use asset		19.67	45.71
(f) Intangible assets		175.97	207.32
(g) Goodwill		774.47	774.47
(g) Other non-financial assets		1,080.22	401.70
TOTAL ASSETS		2,07,408.76	1,81,430.34
LIABILITIES AND EQUITY			
Financial liabilities			
(a) Derivative financial instruments		58.68	0.00
(a) Trade Payables		7.09	23.52
(c) Debt securities		23,807.91	43,210.76
(d) Borrowings (other than debt securities)		1,32,139.07	92,148.69
(e) Subordinated liabilities		6,003.45	5,986.79
(f) Other financial liabilities		3,103.00	3,583.67
Non-financial liabilities			
(a) Current tax liabilities (Net)		0.00	71.90
(b) Provisions		345.35	303.22
(c) Deferred tax liabilities (Net)		165.35	116.67
(d) Other non-financial liabilities		157.27	148.76
Equity			
(a) Equity share capital		5,265.91	5,167.49
(b) Other equity		35,780.89	30,169.33
(c) Non- Controlling Interest		574.79	499.54
TOTAL LIABILITIES AND EQUITY		2,07,408.76	1,81,430.34

Cash Flow statement for the year ended March 31, 2022

Particulars	(Rs in Lacs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,838.43	5,311.09
Adjustments for:		
Depreciation, amortisation and impairment	190.23	193.18
Interest Income	(26,301.60)	(23,422.49)
Interest expenses	13,617.93	12,865.83
Impairment on financial instrument	513.01	781.57
Net loss on fair value changes	3.35	-
Lease equalisation	-	-
Share based payment expense	(6.03)	13.09
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)	-	-
Net gain/(loss) on financial instrument at amortised category	-	-
Provision for expenses	6.60	4.83
Employee benefit expenses	94.59	106.26
Rental income on Investment property	(7.63)	(6.36)
(Profit)/ Loss on sale of property, plant and equipment	(0.07)	(0.14)
(Profit)/ Loss on sale of immovable Property	6.10	-
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	(5,045.09)	(4,153.14)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(12.47)	4.99
Decrease / (Increase) in loans	(38,117.26)	(28,317.25)
Decrease / (Increase) in bank balances other than cash and cash equivalents	1,631.18	(389.89)
Decrease / (Increase) in other financial assets	(5,403.68)	(292.59)
Decrease / (Increase) in other non-financial assets	(678.52)	(77.57)
(Decrease) / Increase in trade payables	(16.43)	5.67
(Decrease) / Increase in other financial liabilities	(458.46)	(125.82)
(Decrease) / Increase in provisions	(30.07)	(17.77)
(Decrease) / Increase in other non-financial liabilities	8.51	(0.60)
Interest received	31,293.07	20,192.84
Interest paid	(13,452.11)	(10,940.08)
	(30,281.34)	(24,111.21)
Income tax paid (net of refunds)	(1,805.25)	(1,137.77)
	(32,086.59)	(25,248.98)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(32,086.59)	(25,248.98)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(114.86)	(45.96)
Purchase of Investment property	(224.11)	-
Rental income on Investment property	7.63	6.36
Proceeds from sale of property, plant and equipment	0.08	0.54
Proceeds from sale of Investment property	110.00	-
Purchase of intangible assets	(37.28)	(47.95)
ROU Adj	-	-
Purchase of investments measured at cost	-	-
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(258.55)	(87.01)
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	714.39	1,015.18
Share issue expenses	-	-
Amount received from debt securities	8,000.00	39,500.00
Repayment of debt securities	(26,783.33)	(3,300.00)
Amount received from borrowings other than debt securities	77,180.00	38,025.08
Repayment of borrowings other than debt securities	(31,541.19)	(38,101.19)
Amount received from subordinated Liabilities	-	2,500.00
Repayment of subordinated debt	-	(3,000.00)
Payment of principal portion of lease liabilities	(31.05)	(51.94)
Payment of interest on lease liabilities	(3.79)	(6.35)
Deposits received (net)	-	-
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	27,535.03	36,580.78
Net Increase / (Decrease) in Cash and Cash Equivalents	(4,810.11)	11,244.79
Cash and Cash Equivalents at the beginning of Year	14,474.42	3,229.63
Cash and Cash Equivalents at the end of the Year	9,664.31	14,474.42

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

IKF Finance Limited

Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520 101

CIN: U65992AP1991PLC012736, Tel: 91-866-2474644, Fax: 91-866-2485755,

Website: www.ikffinance.com**Notes:**

- 1 IKF Finance Limited (the 'Company') has prepared audited financial results (the 'Statement') for the year ended and the year ended March 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 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.
- 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 May 30 ,2022.
- 3 The above financial results year ended March 31, 2022 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report. The financial results for the year ended March 31, 2021 were audited by S R Batliboi & Co. LLP , Chartered Accountants.
- 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 The COVID 19 outbreak across the world has for past 24 months adversely affected the world economy including India. However, in recent times the industry is showing signs of revival signalling a slow but steady return of growth for economy. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth. Further, 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 financial support from banks and other fundraising opportunities 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 financial assets (Loans) 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 condition.
- 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
- 7 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 financial results:

	Particulars	Year Ended	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	3.95	4.00
b)	Debt service coverage ratio	N/A	N/A
c)	Interest service coverage ratio	N/A	N/A
d)	Outstanding redeemable preference shares (quantity and value)	-	-
e)	Capital redemption reserve	N/A	N/A
f)	Debenture redemption reserve	N/A	N/A
g)	Net worth (refer note iii)	41,046.80	35,336.82
h)	Net profit (loss) after tax	5,113.01	3,790.16
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)		
	-Basic (Rupees)	9.89	7.54
	-Diluted (Rupees)	9.89	7.53
j)	Current ratio	N/A	N/A
k)	Long term debt to working capital		
l)	Bad debts to Account receivable ratio	N/A	N/A
m)	Current liability ratio	N/A	N/A
n)	Total debts to total assets (refer note iv)	78.08%	77.91%
o)	Debtors turnover	N/A	N/A
p)	Inventory turnover	N/A	N/A
q)	Operating margin (%)	N/A	N/A
r)	Net profit margin (%) (refer note v)	18.82%	15.92%
	1) Capital Adequacy Ratio (%) (refer note vi)	N/A	N/A
	2) Gross Stage-3 Assets % (refer note vii)	N/A	N/A
	3) Net Stage-3 Assets % (refer note viii)	N/A	N/A
	4) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix)	N/A	N/A

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

Place: Vijayawada
 Date : May30,2022

For and on behalf of the Board of Directors
V.G.K Prasad
 VUPPUTURI GOPALA
 KISHAN PRASAD
 Digitally signed by VUPPUTURI
 GOPALA KISHAN PRASAD
 Date: 2022.05.30 20:20:14 +05'30'
Chairman