November 10, 2023

To

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

Dear Sir/ Madam

Sub: Declaration Pursuant to Regulation 52(3) of SEBI (LODR Regulations 2015) regarding Audit Report with Unmodified Opinion

Ref: Scrip Code: 959773, 973527, 973528, 973633, 974327,974714, 975026

In compliance with the provisions of Regulation 52(3) of the SEBI (LODR) Regulations, 2015 as amended from time to time and SEBI Circular No. Cir/CFD/CMD/56/2016 dated May, 27, 2016, we hereby declare that M/s SGCO Chartered Accountants, Statutory Auditors of the Company have issued Limited Review Reports with unmodified opinion on the Audited Financial Statements of the Company for the quarter and half year ended 30.09.2023.

This is for your information and records.

Thanking you

Yours faithfully

CHAPALAMADUGU SREENIVASA RAO
Digitally signed by CHAPALAMADUGU SREENIVASA RAO
Date: 2023.11.10 18:16:55 +05'30'

(Ch Sreenivasa Rao)
Company Secretary and Compliance Officer

November 10, 2023

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

Dear Sir/ Madam

Sub: **Asset Cover Certificate**

Ref: Regulations 54 read and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Scrip Code: 959773, 973527, 973528, 973633, 974327, 974714, 972056

Pursuant to the provisions of Regulation 54 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time and other regulations, if applicable, we hereby submit Security Cover Certificate

Kindly take the above on record.

Thanking you,

Yours faithfully,
For IKF Finance Limited

CHAPALAMADUGU SREENIVASA RAO
Digitally signed by CHAPALAMADUGU SREENIVASA RAO
Date: 2023.11.10 18:16:30 +05'30'

(Ch Sreenivasa Rao)
Company Secretary and Compliance Officer

November 10, 2023

To

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

Dear Sir/ Madam

Sub: **Outcome of Board Meeting held on November 10, 2023**

Ref: Regulations 51, 52 and 54 read with part-B of Schedule-III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Scrip Code: 959773, 973527, 973528, 973633, 974327,974714, 975026

Pursuant to the provisions of Regulation 51, 52 and 54 together read with Part B of Schedule III of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time and other regulations, if applicable, we hereby inform that the Board of Directors of the Company at its Meeting held today i.e., November 10, 2023, have inter-alia considered and approved the un-audited financial results for the quarter ended September 30, 2023.

In this connection, we are pleased to enclose the following:

Un Audited Financial Results (Standalone) of the Company for the quarter and Half year ended September 30, 2023 together with the Limited Review Report of the Statutory Auditors' thereon;

Disclosure pursuant to Regulation 52 (4) and other applicable regulations, if any of SEBI Listing Regulations;

Declaration regarding audit report with unmodified opinion under Regulation 52 (3) of SEBI Listing Regulations

Apart from the above the Board has approved the following

1. **The Investment of upto Rs 165,00,00,000 through CCD& or Equity from the investors subject to the approval of shareholders and the Reserve Bank of India**

2. **the investment upto Rs.50 Cr in Subsidiary Company IKF Home Finance Limited**

3. **the appointment of Chief Compliance Officer and Chief Risk Officer**

Kindly take the above on record.

Thanking you,

Yours faithfully,
For IKF Finance Limited

CHAPALAMADUGU SREENIVASA RAO Digitally signed by CHAPALAMADUGU SREENIVASA RAO Date: 2023.11.10 17:43:45 +05'30'

(Ch Sreenivasa Rao)
Company Secretary and Compliance Officer

Independent Auditor's Report on Quarter and Half Year Ended September 30,2023 Unaudited Standalone Financial Results of IKF Finance Limited pursuant to the Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended.

To,
The Board of Directors
IKF Finance Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of IKF Finance Limited (the "Company"), for the quarter and half year ended Sep 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's 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 stated in paragraph 3 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 the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 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.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184
SURESH PRAHLADRAI MURARKA
Digitally signed by SURESH PRAHLADRAI MURARKA
DN: c=IN, postalCode=400097, st=MAHARASHTRA, street=BUNDER, l=MUMBAI, o=Personal, serialNumber=f41cc1d56c2f059b5c5d9c5230972b0c4ae245cab2d70e4572224e4e0d8c09c, pseudonym=a4a9e4f1f0f2e2d76f6b1aa6b4f1f0f2e2d76, 2.5.29.46=03:DC:F3:A0:F3:B6:3B:D0:C1:FD:05:2b:9a9ade3f1f0f2e2d76:9944279266d2c5f7bf, email=SURESH@SGCO.CO.IN, cn=SURESH PRAHLADRAI MURARKA
Date: 2023.11.10 17:00:06 +05'30'
Suresh Murarka
Partner
Mem. No. 044739
UDIN: 23044739BGUNZV5825

Place: Mumbai
Date: 10th November, 2023

IKF Finance Limited
Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520010
CIN: U65992AP1991PLC012736, Tel: 91-866-2474644, Fax: 91-866-2485755,
Website: www.ikffinance.com

Standalone Financial Results for the Quarter and Half Year Ended September 30,2023

(Rs in Lacs)

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30,2023 (Reviewed)	June 30,2023 (Reviewed)	September 30,2022 (Reviewed)	September 30,2023 (Reviewed)	September 30,2022 (Reviewed)	March31,2023 (Audited)
1	**Revenue from operations**						
	(a) Interest income	9850.07	8,857.09	6308.75	18,707.16	12,312.77	28,401.52
	(b) Fees and commission income	176.93	12.72	67.08	189.65	82.94	240.36
	Total revenue from operations	**10,027.00**	**8,869.81**	**6,375.83**	**18,896.81**	**12,395.71**	**28,641.88**
2	Other income	3.05	2.56	2.11	5.61	4.28	17.80
3	**Total income (1 + 2)**	**10,030.05**	**8,872.37**	**6,377.94**	**18,902.42**	**12,399.99**	**28,659.68**
4	**Expenses**						
	(a) Finance costs	5143.03	4,853.15	3334.32	9,996.18	6,398.15	15,402.63
	(b) Impairment on financial instruments	417.23	235.56	276.09	652.79	487.56	539.85
	(c) Employee benefits expenses	1670.09	1,614.93	1011.38	3,285.01	1,837.16	4,297.44
	(d) Depreciation, amortization and impairment	79.39	69.48	65.14	148.87	128.75	264.23
	(e) Others expenses	538.04	439.59	328.95	977.63	617.81	1,424.80
	Total expenses	**7,847.78**	**7,212.71**	**5,015.88**	**15,060.48**	**9,469.43**	**21,928.95**
5	**Profit before tax (3 - 4)**	**2,182.27**	**1,659.66**	**1,362.06**	**3,841.94**	**2,930.56**	**6,730.73**
6	**Tax expenses**						
	(a) Current tax	574.82	550.64	378.50	1,125.46	797.17	1,461.47
	(b) Deferred tax	-20.47	-123.66	-30.06	-144.14	-43.14	255.84
	(c) Adjustment of tax relating to earlier periods	9.06	-0.27	0.00	8.79	0.00	12.91
7	**Net Profit for the period (5 - 6)**	**1,618.86**	**1,232.95**	**1,013.62**	**2,851.83**	**2,176.53**	**5,000.51**
8	**Other comprehensive income**						
	(A) Items that will not be reclassified to profit or loss						
	(a) Remeasurements of the defined benefit plans	7.34	-10.41	-9.92	-3.07	4.58	13.18
	(b) Income tax relating to items that will not be reclassified to profit or loss	-1.85	2.62	2.50	0.77	-1.15	-3.32
9	**Total Comprehensive Income (7 + 8)**	**1,624.35**	**1,225.16**	**1,006.20**	**2,849.53**	**2,179.96**	**5,010.37**
10	**Earnings per Share (Rs) (Face Value of Rs.10/- each)**						
	- Basic (Not Annualised)	**2.46**	**1.91**	**1.92**	**4.33**	**4.13**	**9.31**
	- Diluted (Not Annualised)	**2.46**	**1.91**	**1.92**	**4.33**	**4.13**	**9.31**

Statement of Assets ,Liabilities and Equity as at September 30,2023

(Rs in Lacs)

Particulars	September 30,2023 (Reviewed)	March31,2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	7589.24	23039.43
(b) Bank balance other then included in (a) above	3994.76	5573.17
(c) Loans & Advances	254676.24	210754.51
(d) Investments	32142.33	30810.55
(e) Other financial assets	1848.00	2251.57
Non-financial assets		
(a) Current tax assets (net)	381.53	372.98
(b) Deferred tax assets (net)	0.00	0.00
(c) Investment Property	72.06	72.14
(d) Property, plant and equipment	253.68	250.23
(e) Right of use asset	285.53	270.26
(f) Intangible assets	146.76	156.38
(g) Other non-financial assets	3011.06	2878.41
TOTAL ASSETS	**304401.19**	**276429.64**
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Debt securities	20294.16	18838.54
(b) Borrowings (other than debt securities)	179694.68	168496.32
(c) Subordinated liabilities	16358.33	16345.06
(d) Other financial liabilities	4145.41	2921.34
Non-financial liabilities		
(a) Provisions	273.69	210.50
(b) Deferred tax liabilities (Net)	43.90	188.82
(c) Other non-financial liabilities	173.43	179.07
Equity		
(a) Equity share capital	7015.64	6457.51
(b) Other equity	76401.95	62792.48
TOTAL LIABILITIES AND EQUITY	**304401.19**	**276429.64**

Statement of cash flows for the half year ended September 30,2023.

Particulars	September 30,2023 (Reviewed)	September 30,2022 (Reviewed)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**3841.94**	**2930.57**
Adjustments for:	**0.00**	**0.00**
Depreciation, amortisation and impairment	**148.87**	**128.75**
Interest Income	**-18707.16**	**-12312.77**
Interest expenses	**9996.18**	**6398.15**
Impairment on financial instrument	**652.79**	**487.56**
Share based payment expense	**1.08**	**-3.99**
Provision for expenses	**68.77**	**-0.10**
Employee benefit expenses	**68.41**	**41.99**
Rental income on Investment property	**-4.58**	**-3.81**
(Profit)/ Loss on sale of property, plant and equipment	**0.00**	**-0.06**
(Profit)/ Loss on sale of immovable Property	**0.00**	**0.00**
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**-3933.70**	**-2333.72**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	**0.00**	**0.00**
Decrease / (Increase) in loans	**-44121.94**	**-26428.89**
Decrease / (Increase) in bank balances other than cash and cash equivalents	**1578.41**	**-3234.54**
Decrease / (Increase) in other financial assets	**-136.43**	**-116.16**
Decrease / (Increase) in other non-financial assets	**-132.66**	**-581.39**
(Decrease) / Increase in other financial liabilities	**1134.76**	**51.57**
(Decrease) / Increase in provisions	**-8.29**	**-13.16**
(Decrease) / Increase in other non-financial liabilities	**-5.64**	**-0.35**
Interest received	**18791.14**	**12206.97**
Interest paid	**-10237.79**	**-6535.36**
Income tax paid (net of refunds)	**-1142.81**	**-777.55**
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**-38214.96**	**-27762.58**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**-45.82**	**-28.89**
Purchase of Investment property	**0.00**	**0.00**
Rental income on Investment property	**4.58**	**3.81**
Proceeds from sale of property, plant and equipment	**0.00**	**0.00**
Proceeds from sale of Investment property	**0.00**	**0.00**
Purchase of intangible assets	**-16.90**	**-21.25**
Purchase of investments measured at Amortised cost	**-1331.78**	**0.00**
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**-1389.92**	**-46.33**
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	**12000.00**	**0.00**
Share issue expenses	**-683.00**	**0.00**
Amount received from debt securities	**10000.00**	**0.00**
Repayment of debt securities	**-8250.00**	**-1650.00**
Amount received from borrowings other than debt securities	**42500.00**	**65480.00**
Repayment of borrowings other than debt securities	**-31324.22**	**-25722.49**
Amount received from subordinated Liabilities	**0.00**	**0.00**
Repayment of subordinated debt	**0.00**	**-1500.00**
Payment of principal portion of lease liabilities	**-71.15**	**-58.54**
Payment of interest on lease liabilities	**-16.93**	**-15.66**
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**24154.70**	**36533.31**
Net Increase / (Decrease) in Cash and Cash Equivalents	**-15450.19**	**8724.41**
Cash and Cash Equivalents at the beginning of period	**23039.43**	**3377.21**
Cash and Cash Equivalents at the end of the period	**7589.24**	**12101.62**

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

Notes:

1 IKF Finance Limited (the 'Company') has prepared un audited financial results (the 'Statement') for the Quarter and Half year ended Sep 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 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.

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 10,2023.

3 The above financial results for the quarter and half year ended Sep 30,2023 have been reviewed by the Statutory Auditors of the Company

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 Sep30,2023 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
(i) Details of loans not in default transferred / acquired through assignment during the period ended September 30,2023

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	6588.40	677.84
Weighted average maturity (in Months)	23.27	23.65
Weighted average holding period (in Months)	9.25	10.59
Retention of beneficial economic interest by the originator	10.00%	10.00%
Tangible security Coverage	100.00%	100.00%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

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

6 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 / 2021-22 dated May 5, 2021:

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	81.15	-	-	4.81	76.34
Total	81.15	-	-	4.81	76.34

7 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.

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			Half Year Ended		Year Ended
		September 30,2023 (Reviewed)	June 30,2023 (Reviewed)	September 30,2022 (Reviewed)	September 30,2023 (Reviewed)	September 30,2022 (Reviewed)	March31,2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	2.59	2.72	4.07	2.59	4.07	2.94
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)	83,417.59	69,817.30	40,912.75	83,417.59	40,912.75	69,249.99
h)	Net profit (loss) after tax	1,618.86	1,232.95	1,013.62	2,851.83	2,176.53	5,000.51
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)						
	-Basic (Rupees)	2.46	1.91	1.92	4.33	4.13	9.31
	-Diluted (Rupees)	2.46	1.91	1.92	4.33	4.13	9.31
j)	Current ratio	N/A	N/A	N/A	N/A	N/A	N/A
k)	Long term debt to working capital	7.31	5.73	4.79	7.31	4.79	6.80
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)	71.07%	72.02%	79.20%	71.07%	79.20%	73.68%
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)	16.14%	13.90%	15.89%	15.09%	17.55%	17.45%
s)	Sector specific equivalent ratios, as applicable.						
	1) Capital Adequacy Ratio (%) (refer note vi)	32.00%	31.18%	22.04%	32.00%	22.04%	33.02%
	2) Gross Stage-3 Assets % (refer note vii)	2.63%	2.69%	2.53%	2.63%	2.53%	2.83%
	3) Net Stage-3 Assets % (refer note viii)	2.16%	2.14%	1.70%	2.16%	1.70%	2.26%
	4) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix)	18.33%	20.61%	33.42%	18.33%	33.42%	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 Reserve Bank of India
ii) Debt equity ratio=[Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital + Other equity]
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 Impairment loss allowance for Stage-3 Assets)
ix) 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 I
Vasumathi Devi Koganti
VASUMATHI DEVI KOGANTI
Managing Director

Place : Hyderabad
Date: November 10,2023

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

Auditor's report on Statement of Information on Security cover maintained with respect to listed non-convertible debentures as at September 30, 2023

1. This report is issued in accordance with requirements of email dated November 07, 2023 received from IKF Finance Limited (hereinafter the "Company") .

2. We SGCO & Co LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Security Cover' as per the terms of Debenture Trust Deed for the listed non- convertible debt securities as at Sep 30, 2023 ("Annexure I") which has been prepared by company from the reviewed financial results and other relevant records and documents maintained by the Company as at quarter ended September 30, 2023 in accordance with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (the "SEBI regulations").

This Report is required by the Company for the purpose of submission with IDBI Trusteeship Limited (the "Debenture Trustee") and Vardhaman Trustee Limited (the "Debenture Trustee") and the BSE to ensure compliance with the SEBI Regulations and SEBI Circular SEBI/HO/MIRSD/MIRSO_CRADT/CIR/P/2023/67 dated May 19, 2023 ("the circular") in respect of its listed non-convertible debt securities as at Sep 30, 2023 ("Debentures"). The Company has entered into agreement(s) with the Debenture Trustee ("Debenture Trust Deed") in respect of such Debentures, as indicated in the statement.

Management Responsibility

3. The preparation and presentation of the Statement is the responsibility of the Company's management, including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular, SEBI Regulations, Companies Act, 2013 and other applicable laws and regulations, as applicable.

5. The Management is also responsible to ensure that Security Cover Ratio as on September 30, 2023 is in compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD_ CRADT/CIR/P/2023/67 dated May 19, 2023 with the minimum security cover requirement of hundred percent as per the SEBI Regulations as given in Annexure I and complied with the applicable covenants ("Annexure II) as at that date in accordance with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (the "SEBI regulations") attached to this certificate.

Auditor's responsibility

6. Our responsibility, for the purpose of this certificate is to verify that the particulars contained in the Statement, on the basis of the reviewed unaudited books of accounts and other relevant records and documents maintained by the company and to certify security cover ratio is minimum hundred percent as per the minimum requirement stated in SEBI Regulations and the company is in compliance with the all covenants as mentioned in the Debenture Trust Deed.

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. For the purpose of this report, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that, in all material aspects, that the Company has not maintained the required security cover (as set out in the Statement) as per the requirements of DTDs in relation to all outstanding listed NCDs as at September 30, 2023:

a) Traced all the amounts relating to assets and liabilities (as mentioned in the Annexure I) to the unaudited books of accounts as at September 30, 2023, and other records of the Company and verified the arithmetical accuracy of the numbers in the statement;

b) Verified the amount of security cover as at September 30, 2023, certified by the management and M/s. Hanumaiah & Co. Chartered Accountants dated November 06, 2023

c) Obtained statement of receivables hypothecated to Lenders for Listed non-convertible Debentures as at September 30, 2023, certified by the management and M/s. Hanumaiah & Co. Chartered Accountants dated November 06, 2023

d) Obtained and read the Debenture Trust Deed and the Information Memorandum in respect of the secured Debentures and noted the security cover percentage required to be maintained by the Company in respect of such Debentures.

e) Traced and agreed the principal amount of the Listed non-convertible Debentures outstanding as at September 30, 2023 to the unaudited books of account maintained by the Company as at quarter ended September 30, 2023;

f) Obtained and read the particulars of security cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the Information Memorandum and compared it with the information furnished in Annexure I.

g) Traced the value of assets indicated in Annexure I of the Statement from management certified Statement of receivables hypothecated to lenders as on September 30, 2023 ("Hypothecated assets reports"). We have checked the Receivable amount of Hypothecated assets reports from Loans Outstanding report as on September 30, 2023.

h) Obtained the list of security created in the register of charges maintained by the Company, 'Form No. CHG-9' and 'Form No. CHG 1' filed with Ministry of Corporate Affairs. Traced the value of charge created against assets to the security cover relating to principal value of listed non- convertible debt securities.

i) Performed necessary inquiries with the Management and obtained necessary representations;

j) With respect to compliance with all covenants (Annexure II), we have performed following procedures:
   (i) Compared the financial covenants all computed by the management based on unaudited books of accounts for the quarter ended September 30, 2023 with the requirements stipulated in the Debenture trust deed (s) to verify whether such all covenants are in compliance with the requirements of the debenture trust deed(s).
   (ii) Obtained the copies of bank statements and traced the date of repayment of principal and interest due on sample basis for the quarter ended September 30, 2023
   (iii) Performed necessary inquiries with the management regarding any instances of non-compliance of covenants for the quarter ended September 30, 2023

10. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 7 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:

a) The Company has not maintained asset cover as per the terms of the Debenture Trust deed; and

b) The Company is not in compliance with all the covenants as mentioned in the Debenture Trust Deed as on September 30 2023.

Restriction of use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

For SGCO & Co. LLP
Chartered Accountants
FRN:- 112081W/W100184

SURESH PRAHLADRAI MURARKA

Digitally signed by SURESH PRAHLADRAI MURARKA
DN: c=IN, postalCode=400097, st=MAHARASHTRA, street=MUMBAI, l=MUMBAI, o=Personal, serialNumber=943ccef48c2f059b5cb40c03269722b0c4ae24bd62d1fe647322e6be058b305c, pseudonym=994e1af8f17945d1aa656815f42ea274, 2.5.4.20=85530c21b672a3538c340e12ff003c26164a6d9748d624a944427928dbc547bf, email=SURESH@SGCO.CO.IN, cn=SURESH PRAHLADRAI MURARKA
Date: 2023.11.10 17:00:48 +05'30'

Suresh Murarka
Partner
Membership No: 044739
UDIN: 23044739BGUNZW7109

Place: Mumbai
Date **:** November 10, 2023

Annexure - I

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
												Relating to Column F		
		BookValue	BookValue	Yes/No	BookValue	BookValue								
ASSETS														
Property,Plant and Equipment		-	-	-	-	-	253.68	-	253.68	-	-	-	-	-
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	-	-	-	285.53	-	285.53	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	146.76	-	146.76	-	-	-	-	-
Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	32,142.33	-	32,142.33	-	-	-	-	-
Loans		16,910.07	203,397.27				34,368.00	-	254,675.34	-	16,910.07	-	-	16,910.07
Inventories		-	-	-	-	-		-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-		-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	7,589.24	-	7,589.24	-	-	-	-	-
Bank Balance other than Cash and Cash Equivalents		-	-	-	-	-	3,994.76	-	3,994.76	-	-	-	-	-
Others		-	-	-	-	-	5,312.54	-	5,312.54	-	-	-	-	-
Total		16,910.07	203,397.27	-	-	-	84,092.84	-	304,400.18	-	16,910.07	-	-	16,910.07
LIABILITIES														
Debt securities to which this certificate pertains		15,065.19	-	-	-	-	-	-	15,065.19	-	15,065.19	-	-	15,065.19
Other debt sharing pari-passu charge with above debt		not to be filled	-	-	-	-	-	-	-	-	-	-	-	-
Other Debt			-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt			-	-	-	-	16,358.33	-	16,358.33	-	-	-	-	-
Borrowings			-	-	-	-	-	-	-	-	-	-	-	-
Bank(Note1)	Term loans and cash credit from Banks		151,974.61	-	-	-	-	-	151,974.61	-	-	-	-	-
Debt Securities			-	-	-	-	5,228.96	-	5,228.96	-	-	-	-	-
Others(Note2)	Term loans from NBFC/FI and Securitization		27,720.06	-	-	-		-	27,720.06	-	-	-	-	-
Trade payables			-	-	-	-	-	-	-	-	-	-	-	-
Lease Liabilities			-	-	-	-	298.94	-	298.94	-	-	-	-	-
Provisions			-	-	-	-	273.69	-	273.69	-	-	-	-	-
Others			-	-	-	-	4,063.16	-	4,063.16	-	-	-	-	-
Total		15,065.19	179,694.68	-	-	-	26,223.07	-	220,982.94	-	15,065.19	-	-	15,065.19
Cover on Book Value		1.12									1.12			1.12
Cover on Market Value														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

Notes

1) The "Borrowings from banks mentioned in column D of Rs 1,51,974.61 lakhs includes onlending term loans of Rs 8,500 lakhs in respect of which creation of security is under process

Annexure I

ISIN wise details

Amounts in Lacs

S No	ISIN	Facility	Type of Charge	Sanctioned Amount	Outstanding Amount as on 30.09.2023	Cover Required	Security Required	Actual Cover	Actual Security
1	INE859C07147	Non Convertible Debentures	Fixed Charge	5,000	5,030	1.10	5,533	1.12	5,613
2	INE859C07154	Non Convertible Debentures	Fixed Charge	10,000	10,136	1.10	11,150	1.12	11,297
Total				15,000	15,166	1.10	16,683	1.12	16,910

For IKF FINANCE LTD.

Ch. Sreenivasa Rao
Company Secretary
M. No. 14723

Annexure II - Covenants Compliance Statement for the half year ended 30.09.2023

S. No.	ISIN	Facility	Date of Trust deed	Covenant reference as per DTD	Compliance
1	INE859C08095	150 (One Hundred and Fifty) Rated, Listed, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures aggregating upto Rs 15 Crores (Fifteen Crores only)	September 30, 2021	Schedule IX (Clause 1 to 3) Schedule VII (Clause a to e) Schedule XI(Clause a to s) Schedule XIII (Clause i to v)	Complied
2	INE859C07147	500 (Five Hundred) Secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 50 Crores (Fifty Crores only)	December 6, 2021	Schedule VII (Clause a to e) Schedule X (Clause a to e) Schedule XI (Clause a to s) Schedule XIII (Clause i to v)	Complied
3	INE859C08103	140 (One Hundred and Forty Reference Rate Unsecured Rated Listed Redeemable Subordinated Tier II Non-Convertible Debenture of face value of Rs 1,00,00,000 each aggregating upto Rs 140 Cr (Rs One Hundred and Forty Crore only)	October 15, 2022	Schedule 1.12.1 (Clause a to p) Schedule 1.12.1 (Clause a to b) Schedule 2.5.2 (Clause a to k) Schedule 2.5.3 (Clause a to e)	Complied
4	INE859C08111	7000 (seven thousand) unsecured, rated, listed, redeemable, unsubordinated, non-convertible debentures of face value of Rs. 1,00,000/- (rupees one lakh only) each, aggregating up to Rs.70,00,00,000/- (Rupees Seventy Crores only)	March 23, 2023	Schedule VII (Clause a to Z) Schedule IX (Clause 1 to 5) Schedule XII (Clause a to F) Schedule XIII (Clause a to w)	Complied
5	INE859C07154	10000 (Ten Thousand) Secured, Listed, Rated, Unsubordinated, Redeemable, Transferable, Non-Convertible Debentures of Face Value of INR 1,00,000/- (Rupees One Lakh Only) Each amounting INR 1,00,00,00,000/- (Rupees One Hundred Crores only)	August 09,2023	Schedule VIII (Clause 1 to 2) Main Clause 2 (Sub clause a to o) Main Clause 3 (Sub clause a to z) Main Clause 4 along with Part B Annexure 1	Complied

For IKF Finance Limited

(Ch Sreenivasa Rao)
Company Secretary

Place: Vijayawada
Date:

IKF Finance Limited
Registered Office: #40-1-144, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.
Ph: 91-866-2474644, 2474633 I Fax: 91-866-2485755 I Email: ikffinance@gmail.com I Web: www.ikffinance.com
Corporate Office: Plot No's. 30/A, Survey No. 83/1, 11th Floor, My Home Twitza, , APIIC Hyderabad Knowledge City, Raidurg (Panmaqtha) Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad – 500081, Telangana
Ph: 91-40-69268899 | **CIN:U65992AP1991PLC012736**