



May 29, 2024

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: 959773,974327,974714, 975026, 975569

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 year months ended 31.03.2024.

This is for your information and records.

Thanking you

Yours faithfully

(Ch Sreenivasa Rao)
Company Secretary and Compliance Officer

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: 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**

SGCO & Co. LLP

Chartered Accountants

Independent Auditors' Report on the Quarterly and Year to Date Audited Standalone Financial Results of IKF Finance Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Board of Directors of
IKF Finance Limited
Mumbai

Report on the audit of the standalone Financial Results

Opinion

We have audited the accompanying statement for the quarterly and year to date standalone financial results of IKF Finance Limited (the "Company") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. Is presented in accordance with the requirements of Regulation 52 of the SEBI (listing obligations and Disclosure Requirement) Regulations , 2015 as amended ; and
- ii. gives a true and fair view in conformity with applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, other and total comprehensive income and other financial information for the quarter and year ended March 31, 2024.

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



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Chartered Accountants

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, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Managements and Board of Directors' Responsibilities for the Standalone Financial Results

The Statement have been prepared on the basis of the standalone annual financial statements. The Company's Management and the Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit, other and total comprehensive income and other financial information in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Board of Directors.

In preparing the Statement, the Management and 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 Management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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The Management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 Statement made by the Board of Directors.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



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the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (i) to evaluate the effect of any identified misstatements in the Statement.

We communicate with those charged with governance 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.



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Other Matters

- I. The Statement includes the figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial years and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Our opinion is not modified in respect of these matters.

For SGCO & Co. LLP

Chartered Accountants

Firm Registration Number: 112081W/W100184

Shetty

Sudha Jaideep Shetty

Partner

Membership Number: 047684

UDIN: 24047684BKHXS9792

Hyderabad, May 29, 2024



Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2024

(Rs in Lacs)

	Particulars	Quarter Ended			Year Ended	
		March 31, 2024 (Audited) (Ref Note 9)	December 31, 2023 (Reviewed)	March 31, 2023 (Audited) (Ref Note 9)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from operations					
	(a) Interest income	13542.29	11,056.12	8,534.39	43,304.01	28,398.32
	(b) Fees and commission income	21.31	33.55	30.23	98.89	93.92
	(c) Other Operating Income	17.00	1.07	1.77	19.64	3.20
	Total revenue from operations	13,580.60	11,090.74	8,566.40	43,422.53	28,495.44
2	Other income	152.45	21.36	99.13	325.04	164.24
3	Total income (1 + 2)	13,733.05	11,112.10	8,665.53	43,747.57	28,659.68
4	Expenses					
	(a) Finance costs	6242.57	5,784.11	4,758.33	22,022.85	15,402.63
	(b) Impairment on financial instruments	492.42	495.30	-227.36	1,640.51	539.85
	(c) Employee benefits expenses	2306.50	1,737.65	1,321.69	7,329.16	4,297.44
	(d) Depreciation, amortization and impairment	115.96	76.06	71.16	340.89	264.23
	(e) Others expenses	573.83	525.07	438.65	2,076.54	1,424.80
	Total expenses	9,731.28	8,618.19	6,362.47	33,409.94	21,928.95
5	Profit before tax (3 - 4)	4,001.77	2,493.91	2,303.06	10,337.63	6,730.73
6	Tax expenses					
	(a) Current tax	715.83	759.26	379.77	2,600.55	1,461.47
	(b) Deferred tax	302.42	-127.46	202.66	30.82	255.84
	(c) Adjustment of tax relating to earlier periods	0.00	0.03	12.47	8.82	12.91
7	Net Profit for the period (5 - 6)	2,983.52	1,862.08	1,708.16	7,697.44	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	-9.94	8.65	6.94	-4.36	13.18
	(b) Income tax relating to items that will not be reclassified to profit or loss	2.50	-2.18	-1.75	1.10	-3.32
9	Total Comprehensive Income (7 + 8)	2,976.08	1,868.55	1,713.35	7,694.18	5,010.37
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)					
	- Basic (Not Annualised)	4.39	2.77	3.18	11.32	9.31
	- Diluted (Not Annualised)	4.39	2.77	3.18	11.32	9.31



Venugopal Reddy

IKF Finance Limited

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Statement of Assets and Liabilities

(Rs in Lacs)

Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	4,407.96	23,039.43
(b) Bank balance other then included in (a) above	3,023.41	5,573.17
(c) Receivables		
(i) Trade Receivables	145.64	0.00
(ii) Other receivables	0.00	0.00
(d) Loans	3,25,530.75	2,10,754.51
(e) Investments	27,624.85	30,810.55
(f) Other financial assets	2,754.99	2,220.12
Non-financial assets		
(a) Current tax assets (net)	43.25	372.98
(b) Deferred tax assets (net)	-	0.00
(c) Investment Property	130.03	72.14
(d) Property, plant and equipment	237.54	250.23
(e) Right of use asset	262.17	270.26
(f) Capital work in progress	47.59	0.00
(g) Intangibles assets under development	13.20	0.00
(h) Intangible assets	123.99	156.38
(i) Other non-financial assets	3,265.05	2,909.85
TOTAL ASSETS	3,67,610.42	2,76,429.64
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(ii) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b) Debt securities	15,989.65	18,838.54
(c) Borrowings (other than debt securities)	2,40,928.87	1,68,496.32
(d) Subordinated liabilities	16,372.47	16,345.06
(e) Other financial liabilities	5,470.71	2,921.34
Non-financial liabilities		
(a) Provisions	288.37	210.50
(b) Deferred tax liabilities (Net)	218.55	188.82
(c) Other non-financial liabilities	275.74	179.07
Equity		
(a) Equity share capital	7,015.65	6,457.51
(b) Other equity	81,050.41	62,792.48
TOTAL LIABILITIES AND EQUITY	3,67,610.42	2,76,429.64



Venunathi Govili



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Cash Flow statement for the year ended March 31, 2024

Particulars	(Rs in Lacs)	
	March 31, 2024 (Audited)	March 31, 2023 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,337.63	6,730.73
Adjustments for:		
Depreciation, amortisation and impairment	340.89	264.23
Interest Income	-43,304.01	-28,398.32
Interest expenses	22,022.85	15,402.63
Impairment on financial instrument	1,640.51	539.85
Lease equalisation	0.00	0.00
Share based payment expense	1.08	-3.99
Provision for expenses	12.75	2.25
Employee benefit expenses	82.35	-57.21
Rental income on Investment property	-9.15	-7.63
(Profit)/ Loss on sale of property, plant and equipment	-0.04	1.14
(Profit)/ Loss on sale of immovable Property	0.00	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	-8,875.15	-5,523.17
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	-145.64	0.00
Decrease / (Increase) in loans	-1,14,911.49	-55,475.48
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.76	-3,364.52
Decrease / (Increase) in other financial assets	-36.54	43.49
Decrease / (Increase) in other non-financial assets	-355.20	-1,842.43
(Decrease) / Increase in trade payables	0.00	0.00
(Decrease) / Increase in other financial liabilities	2,537.90	622.18
(Decrease) / Increase in provisions	-8.83	-25.48
(Decrease) / Increase in other non-financial liabilities	96.67	79.57
Interest received	41,283.73	27,451.64
Interest paid	-22,397.69	-15,826.72
	-1,00,262.47	-53,860.90
Income tax paid (net of refunds)	-2,279.64	-1,664.32
Deferred tax adjustment	0.01	0.00
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	-1,02,542.10	-55,525.22



Ummathur K. Gupta



Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	-119.47	-67.99
Purchase of intangible assets under development	-13.20	
Purchase of Investment property	-58.06	0.00
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	0.04	0.82
Proceeds from sale of Investment property	0.00	38.85
Purchase of intangible assets	-20.00	-50.25
Purchase of investments measured at Amortised cost and FVTPL	3,185.70	-24,557.63
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	2,984.16	-24,628.57
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.00	25,506.83
Share issue expenses	-879.18	0.00
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	-17,500.00	-3,400.00
Amount received from borrowings other than debt securities	1,40,850.00	1,09,340.00
Repayment of borrowings other than debt securities	-68,326.67	-48,983.70
Amount received from subordinated Liabilities	0.00	14,000.00
Repayment of subordinated debt	0.00	-3,500.00
Payment of principal portion of lease liabilities	-180.25	-113.49
Payment of interest on lease liabilities	-37.43	-33.63
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	80,926.47	99,816.01
Net Increase / (Decrease) in Cash and Cash Equivalents	-18,631.47	19,662.22
Cash and Cash Equivalents at the beginning of Year	23,039.43	3,377.21
Cash and Cash Equivalents at the end of the Year	4,407.96	23,039.43

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

Usumathi Gyanis



IKF Finance Limited

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Notes:

- 1 IKF Finance Limited (the 'Company') has prepared financial results (the 'Statement') for the Quarter ended and the year ended March 31, 2024 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 29, 2024.
- 3 The above financial results for the quarter and year ended March 31, 2024 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report
- 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
- 5 On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of income recognition and asset classification norms. The Management has taken necessary steps to comply with norms/changes as and when they became applicable.
- 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	76.34	-	-	5.33	71.01
Total	76.34	-	-	5.33	71.01

- 7 Details of loans transferred / acquired during the quarter ended March 31, 2024 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2024

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	27458.08	3443.37
Weighted average maturity (in months)	27.22	19.42
Weighted average holding period (in months)	9.50	7.22
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 not in default.

(iv) The Company has not acquired any loans not in default through assignment.

(v) The Company has not acquired any stressed loan.

Ummathi Gail



- 8 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.
- 9 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.
- 10 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.
- 11 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			Year Ended	
		March 31, 2024 (Audited) (Ref Note 9)	December 31, 2023 (Reviewed)	March 31, 2023 (Audited) (Ref Note 9)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	3.10	2.74	2.94	3.10	2.94
b)	Debt service coverage ratio	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
d)	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-
e)	Capital redemption reserve	N/A	N/A	N/A	N/A	N/A
f)	Debenture redemption reserve	N/A	N/A	N/A	N/A	N/A
g)	Net worth (refer note iii)	88,066.06	85,089.96	69,249.99	88,066.06	69,249.99
h)	Net profit (loss) after tax	2,983.52	1,862.08	1,708.16	7,697.44	5,000.51
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)					
	-Basic (Rupees)	4.39	2.77	3.18	11.32	9.31
	-Diluted (Rupees)	4.39	2.77	3.18	11.32	9.31
j)	Current ratio	N/A	N/A	N/A	N/A	N/A
k)	Long term debt to working capital	7.68	7.02	6.80	7.68	6.80
l)	Bad debts to Account receivable ratio	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)	Total debts to total assets (refer note iv)	74.34%	72.07%	73.68%	74.34%	73.68%
o)	Debtors turnover	N/A	N/A	N/A	N/A	N/A
p)	Inventory turnover	N/A	N/A	N/A	N/A	N/A
q)	Operating margin (%)	N/A	N/A	N/A	N/A	N/A
r)	Net profit margin (%) (refer note v)	21.73%	16.76%	19.71%	17.60%	17.45%
s)	Sector specific equivalent ratios, as applicable.					
	1) Capital Adequacy Ratio (%) (refer note vi)	26.51%	30.46%	33.02%	26.51%	33.02%
	2) Gross Stage-3 Assets % (refer note vii)	2.35%	2.32%	2.83%	2.35%	2.83%
	3) Net Stage-3 Assets % (refer note viii)	1.80%	1.85%	2.26%	1.80%	2.26%
	4) Provision Coverage Ratio for Stage-3 assets (PCR %) (refer note ix)	23.61%	20.68%	20.75%	23.61%	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
- ii) Debt equity ratio=[Debt Securities + Borrowings (Other than Debt Securities) + Deposits+ Subordinated Liabilities]/[Equity Share capital +
- 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

Place: Hyderabad
 Date : May 29,2024

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

Managing Director

Registered Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520010
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 Corporate Office: info@ikffinance.com, Tel: 91-866-2474644, 2474633 Fax: 91-866-2485755, www.ikffinance.com
 Raj Bhawan Road, Secunderabad - 500006 Tel: 91-866-2474644, 2474633 Fax: 91-866-2485755, www.ikffinance.com
 CIN: U65992AP1991PLC012736



SGCO & Co. LLP

Chartered Accountants

Independent Auditors' Report on the Quarterly and Year to Date Consolidated Financial Results of IKF Finance Limited Pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
IKF Finance Limited
Hyderabad.

Opinion

We have audited the accompanying Statement of quarterly and year to date Consolidated Financial Results of IKF Finance Ltd. ("Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the 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 the report of the other auditor on separate audited financial statements of subsidiary, the aforesaid Statement:

a. include the financial results of the below entity:

Subsidiary - IKF Home Finance Ltd.

- b. are presented in accordance with the requirements of Regulations 52 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2024.

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



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Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated 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 Companies Act, 2013 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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

The Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Statement 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 the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 52 of the Listing Regulations. The respective Management and the Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective entities 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Management and Directors of the Holding Company, as aforesaid

In preparing the Statement, the respective Board of Directors of the companies included in the



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Group and are responsible for assessing the ability of the respective entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of their respective entities.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 the 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 the Statement.

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

- i. Identify and assess the risks of material misstatement of the Statement, 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.
- ii. 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 operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. Conclude on the appropriateness of the 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 ability of the Group to



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continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure, and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial results/ information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision, and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated 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 and the respective auditors communicate with those charged with governance of such other entities included in the Statement of which other auditors are the independent auditors 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 Matters

- a. The Statement includes the audited financial results of subsidiaries, whose financial statements, before consolidation adjustments, total assets of Rs. 952.01 crores as at March 31, 2024, total revenue from operation of Rs. 144.39 crores and total net profit after tax of Rs. 23.68 crores and total comprehensive income of Rs. 23.52 crores for the period from April 01, 2023 to March 31, 2024 respectively, and net cash outflows of Rs. 44.64 crores for the year



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ended March 31, 2024, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such independent auditors' and the procedures performed by us are as stated in the "Responsibilities of the Auditors for the Audit of the Consolidated Financial Result" section of this report.

- b. The Statement includes the figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial years and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Our opinion is not modified in respect of these matters.

For SGCO & Co. LLP

Chartered Accountants

Firm Registration Number: 112081W/W100184

Sudha Jaideep Shetty

Partner

Membership Number: 047684

UDIN: 24047684BKHXQU7640

Hyderabad, May 29, 2024



IKF Finance Limited

Regd Office: #40-1-144, Corporate Center, M.G.Road, Vijaywada - 520 010

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

Website: www.ikffinance.com



Statement of Audited Consolidated Financial Results for the Year ended March 31, 2024

(Rs in Lacs)

	Particulars	Year Ended	
		March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from operations		
	(a) Interest income	56,709.99	36,550.27
	(b) Fees and commission income	1,212.21	890.61
	(c) Other Operating Income	19.64	3.20
	Total revenue from operations	57,941.84	37,444.08
2	Other income	658.34	400.63
3	Total income (1 + 2)	58,600.18	37,844.71
4	Expenses		
	(a) Finance costs	28,476.10	19,217.55
	(b) Net loss on fair value changes	0.00	0.00
	(c) Impairment on financial instruments	2,018.32	628.21
	(d) Employee benefits expenses	10,638.24	7,027.13
	(e) Depreciation, amortization and impairment	468.88	341.66
	(f) Others expenses	3,297.51	2,381.82
	Total expenses	44,899.06	29,596.37
5	Profit before tax (3 - 4)	13,701.12	8,248.34
6	Tax expenses		
	(a) Current tax	3,327.22	1,717.24
	(b) Deferred tax	181.51	366.23
	(c) Adjustment of tax relating to earlier periods	11.88	12.91
7	Net Profit for the period (5 - 6)	10,180.51	6,151.96
8	Other comprehensive income		
	(A) Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit plans	-4.36	17.82
	(b) Impact of changes in fair value of Financial Instruments	0.00	53.28
	(c) Income tax relating to items that will not be reclassified to profit or loss	-1.63	-3.13
	(d) Items that will not be reclassified to profit or loss	10.82	
	(B) Items that will be reclassified to profit or loss		
	(a) Items that will be reclassified to profit or loss	-32.15	0.00
	(b) Income tax relating to items that will be reclassified to profit or loss	8.09	0.00
9	Total Comprehensive Income (7 + 8)	10,161.29	6,219.93
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)		
	- Basic (Not Annualised)	14.97	11.46
	- Diluted (Not Annualised)	14.97	11.45



Verumathi Gajuli



IKF Finance Limited

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Statement of Assets and Liabilities

(Rs in Lacs)

Particulars	March 31, 2024 (Audited)	March 31, 2023 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	4,721.03	27,817.26
(b) Bank balance other than included in (a) above	3,549.17	6,098.78
(c) Trade receivables	145.64	0.00
(d) Loans	4,14,297.53	2,68,920.04
(e) Investments	12,406.62	21,247.83
(f) Derivative financial instruments	62.79	-
(g) Other financial assets	6,655.13	4,759.15
Non-financial assets		
(a) Current tax assets (net)	43.25	400.55
(b) Deferred tax assets (net)	0.00	0.00
(c) Investment Property	130.03	72.14
(d) Property, plant and equipment	350.47	363.00
(e) Right of use asset	361.85	313.23
(f) Capital work in progress	47.59	
(g) Intangibles assets under development	13.20	
(h) Intangible assets	198.09	236.22
(i) Goodwill	774.47	774.47
(j) Other non-financial assets	4,329.92	3,387.49
TOTAL ASSETS	4,48,086.80	3,34,390.16
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments	0.00	5.40
(b) Trade Payables	157.85	113.02
(c) Debt securities	20,999.05	26,640.67
(d) Borrowings (other than debt securities)	3,07,465.24	2,13,081.79
(e) Subordinated liabilities	16,372.47	16,345.06
(f) Other financial liabilities	6,963.88	4,026.93
Non-financial liabilities		
(a) Current tax liabilities (Net)	114.33	0.00
(b) Provisions	342.98	261.90
(c) Deferred tax liabilities (Net)	639.43	464.37
(d) Other non-financial liabilities	375.65	263.49
Equity		
(a) Equity share capital	7,015.65	6,457.51
(b) Other equity	86,391.55	65,945.19
(c) Non-Controlling Interest	1,248.72	784.84
TOTAL LIABILITIES AND EQUITY	4,48,086.80	3,34,390.16



Ummathi B. Sridhar

Cash Flow statement for the year ended March 31, 2024

(Rs in Lacs)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,701.12	8,248.34
Adjustments for:		
Depreciation, amortisation and impairment	468.88	341.66
Interest Income	(56,709.99)	(36,553.47)
Interest expenses	28,476.10	19,217.55
Impairment on financial instrument	2,018.32	628.21
Net loss on fair value changes	-	-
Lease equalisation	-	-
Share based payment expense	1.08	(4.00)
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	12.75	2.25
Employee benefit expenses	109.83	(31.35)
Rental Income on Investment property	(9.15)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	(344.17)	1.14
(Profit)/ Loss on sale of immovable Property	288.33	3.15
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	(11,986.91)	(8,154.15)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(145.64)	-
Decrease / (Increase) in loans	(1,44,910.39)	(79,896.38)
Decrease / (Increase) in bank balances other than cash and cash equivalents	2,549.61	(3,565.14)
Decrease / (Increase) in other financial assets	2,024.62	(297.93)
Decrease / (Increase) in other non-financial assets	(942.43)	(2,307.26)
(Decrease) / Increase in trade payables	44.83	105.93
(Decrease) / Increase in other financial liabilities	2,868.23	626.06
(Decrease) / Increase in provisions	(93.21)	33.69
(Decrease) / Increase in other non-financial liabilities	112.15	106.22
Interest received	50,391.90	33,600.98
Interest paid	(29,144.64)	(19,393.29)
	(1,29,231.88)	(79,141.26)
Income tax paid (net of refunds)	(2,867.46)	(1,929.74)
Derivative financial instruments	(11.77)	45.27
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(1,32,111.11)	(81,025.71)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(120.88)	(131.47)
Purchase of Investment property	(58.06)	-
Rental income on Investment property	9.15	7.63
Proceeds from sale of property, plant and equipment	344.35	0.82
Proceeds from sale of Investment property	(288.33)	38.85
Purchase of intangible assets	(43.40)	(137.38)
ROU Adj	-	-
Purchase of investments measured at cost	8,841.20	(21,247.83)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	8,684.05	(21,469.37)
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	12,000.01	25,506.83
Share issue expenses	(879.18)	-
Amount received from debt securities	15,000.00	7,000.00
Repayment of debt securities	(19,889.84)	(4,249.92)
Amount received from borrowings other than debt securities	1,62,694.34	1,39,390.00
Repayment of borrowings other than debt securities	(68,329.30)	(57,339.83)
Amount received from subordinated Liabilities	-	14,000.00
Repayment of subordinated debt	-	(3,500.00)
Payment of principal portion of lease liabilities	(219.12)	(123.03)
Payment of interest on lease liabilities	(46.08)	(36.00)
Deposits received (net)	-	-
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	1,00,330.83	1,20,648.04
Net Increase / (Decrease) in Cash and Cash Equivalents	(23,096.23)	18,152.95
Cash and Cash Equivalents at the beginning of Year	27,817.26	9,664.31
Cash and Cash Equivalents at the end of the Year	4,721.03	27,817.26

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:**
- IKF Finance Limited (the "Company") has prepared financial results (the "Statement") for the year ended and the year ended March 31, 2023 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.
 - 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, 2023.
 - The above financial results year ended March 31, 2023 have been Audited by the Statutory Auditors of the Company and the auditors have issued an unqualified Audit report.
 - 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"
 - 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.
 - 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.

Appendix 1
Analytical Ratios and other disclosures based on financial results:

	Particulars	Year Ended	
		March 31, 2024 (Audited)	March 31, 2023 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	3.69	3.54
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)	93,407.20	72,402.69
h)	Net profit (loss) after tax	10,180.51	6,151.96
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)		
	-Basic (Rupees)	14.97	11.46
	-Diluted (Rupees)	14.97	11.45
j)	Current ratio	N/A	N/A
k)	Long term debt to working capital	N/A	N/A
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)	76.98%	76.58%
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)	17.37%	16.26%

- 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: Hyderabad
 Date: 29 May 2024



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



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Independent Auditor's Report on Compliance with Covenants as at March 31, 2024 under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to Debenture Trustees

To,

The Board of Directors,

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

Dear Sirs,

1. We, SGCO & Co. LLP, Chartered Accountants, are the Statutory Auditors of IKF Finance Limited (the "Company"), have been requested by the Company to examine the accompanying Statement of Compliance with Covenants for the listed non-convertible debt securities as per Debenture Trust Deeds as at March 31, 2024 (the "Statement") which has been prepared by the Company from the Audited Standalone Financial Statements and other relevant records and documents maintained by the Company as at and for the half year ended March 31, 2024 pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and circular SEBI/ HO/ MIRSD/ MIRSD_CRADT/ CIR/P/2022/67 dated May 19, 2022 (together referred to as the 'Regulations') for the purpose of onward submission to Debenture Trustees of the Company to ensure compliance with the SEBI Regulations in respect of its listed non-convertible debt securities as at March 31, 2024 ("Debt Securities"). The Company has entered into agreement(s) with the Debenture Trustees ("Debenture Trust Deeds") in respect of such Debt Securities, as indicated in the Statement.

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



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Management's Responsibility

2. The preparation and completeness of the accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the Debenture Trust Deeds and Information Memorandums.

Auditor's Responsibility

4. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to provide limited assurance as to whether any matter has come to our attention that causes us to believe that, as at March 31, 2024, the Company is not in compliance with all the covenants, as mentioned in the Debenture Trust Deeds in respect of securities mentioned in the accompanying Statement.
5. We have audited the Standalone Financial Statements of the Company for the year ended March 31, 2024 and issued an unmodified audit opinion vide our report dated May 29, 2024. Our review of such Standalone Financial Statements was conducted in accordance with the Standard on Auditing specified under section 143(10) of Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Standalone Financial Statements are free from material misstatements. Further, we have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2024.
6. We conducted our examination of the Statement, on a test check basis, in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



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7. 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.
8. Our scope of work, in respect of this certificate, did not include verification of compliance with other requirements of the other circulars and notifications issued by regulatory authorities from time to time and any other laws and regulations applicable to the Company did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
9. 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. Limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgment, including the assessment of the associated risks with the reporting requirements. We have performed the following procedures:
 - A. On test check basis obtained and read the Debenture Trust Deeds and the Information Memorandums in respect of the non - convertible debt securities.
 - B. Traced and agreed the principal amount of the listed non- convertible debt securities outstanding as on March 31, 2024 with the Audited Standalone Financial Statements and the books of account maintained by the Company as at and for the half year ended March 31, 2024.
 - C. Traced and agreed the interest and principal repayment amount of the listed non- convertible debt securities outstanding as on March 31, 2024 with the Audited Standalone Financial Statements and the Audited books of account maintained by the Company as at and for the year ended March 31, 2024;
 - D. With respect to compliance with financial covenants (as per Annexure) we have performed



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following procedures:

- i. Obtained the computation of the financial covenants as at March 31, 2024 and verified the figures included in such computation with the Standalone Financial Statements as at March 31, 2024 and other relevant records maintained by the Company on a test check basis.
 - ii. Compared, on a test check basis, the financial covenants computed by the management as at March 31, 2024 with the requirements stipulated in the Debenture Trust Deed(s) to verify whether such covenants are in compliance with the requirements of the Debenture Trust Deeds.
- E. With respect to covenants other than those mentioned in paragraph 9(D) above, the management has represented and confirmed that the Company has complied with such covenants including affirmative, reporting, and negative covenants, as prescribed in the Debenture Trust Deeds, as at and for the half year ended March 31, 2024, except for covenants where the due date for compliance has not elapsed as on date of this Report and that such covenants shall be complied with subsequent to the date of this Report. We have solely relied on such representation provided by the management and have not performed any independent procedures in this regard.
- F. Performed necessary inquiries with the Management and obtained necessary representations.
- G. We have relied on management representations for accuracy and correctness of figures and information given in the Statement.

10. Conclusion

Based on the procedures performed by us, as referred to in paragraph 9 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, as at March 31, 2024, the Company is not in compliance with all the covenants as mentioned in the Debenture Trust Deeds in respect of the securities mentioned in the accompanying Statement.

11. Restriction on Use

The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 1 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



SGCO & Co.LLP

Chartered Accountants

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

Firm Regn. No.: 112081W/W100184

Shetty

Sudha Jaideep Shetty

Partner

Membership Number: 047684

UDIN: 24047684BKHXYQY6285



Place: Hyderabad

Date: May 29, 2024

ISIN DETAILS									
Amounts in Lacs									
S No	ISIN	Facility	Type of Charge	Sanctioned Amount	Outstanding Amount as on 31.03.2024	Cover Required	Security Required	Actual Cover	Actual Security
1	INE859C07154	Non Convertible Debentures	Fixed Charge	10000	7,608	1.1	8369	1.11	8453.00
2	INE859C07162	Non Convertible Debentures	Fixed Charge	5000	5007	1.1	5508	1.11	5563.00
Total				15,000	12,615	1.10	13,877		14,016

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IKF Finance Limited

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

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Ph: 91-40-69268899 | CIN:U65992AP1991PLC012736

SGCO & Co. LLP

Chartered Accountants

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

Independent Statutory Auditor's Certificate with respect to maintenance of Security cover with respect to listed non-convertible debentures as at March 31st, 2024

1. This report is issued as per request received from IKF Finance Limited (hereinafter the "Company") via email dated May 28, 2024.
2. We SGCO & Co LLP, Chartered Accountants, are the Statutory Auditors of IKF Finance Limited (the "Company") and have been requested by the Company to certify the accompanying Statement showing 'Security Cover' for the listed non-convertible debt securities as at March 31st, 2024 (the "Statement") pursuant to the requirements of the Regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (the "SEBI Regulation").

Accordingly, the Company has prepared the details of security cover available for debenture holders in accordance with the audited financial statements as at March 31, 2024 and other relevant records/documents maintained by the Company as per attached statement.

We understand that this certificate is required by the Company for the purpose of submission with BSE Limited and Trustees with respect to maintenance of asset cover in respect of listed non-convertible debt securities of the Company (as per Regulation 54) of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation, 2015 ("Regulations") in the format notified by SEBI vide circular no. SEBI/ HO/ MIRSD/MIRST_CRADT I CIR/ PI 2022/67 dated May 19, 2022.

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 Company's management is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations, the circular and for providing all relevant information to the Stock Exchange.

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



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Auditor's responsibility

5. Pursuant to the requirements of the SEBI Regulations and the circular, it is our responsibility to provide a limited assurance as to whether as at March 31, 2024, the Company has maintained security cover as per the terms of the Information Memorandum and Debenture Trust Deeds.

6. We have audited the financial statements of the Company for the year ended March 31, 2024 and issued an unmodified conclusion vide our report dated May 29, 2024. Our audit of such financial statements was conducted in accordance with the Standard on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements. Further, we have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2024.

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

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. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 7 above. The procedures performed vary in nature and timing from and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:

a) Traced all the amounts relating to assets and liabilities (as mentioned in the Annexure I) to the audited books of accounts as at March 31, 2024, 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 March 31, 2024, certified by the management and Chartered Accountants dated May 28, 2024

c) Obtained statement of receivables hypothecated to Lenders for Listed non-convertible Debentures as at March 31, 2024, certified by the management and Chartered Accountant dated May 28, 2024

d) Obtained and read on a test check basis 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 March 31, 2024 to the audited books of account maintained by the Company as at and for the year ended March 31, 2024.

f) Traced the value of assets indicated in Annexure I of the Statement from management certified Statement of receivables hypothecated to lenders as on March 31, 2024 ("Hypothecated assets reports"). We have checked the Receivable amount of Hypothecated assets from Loans Balance as on March 31, 2024.



SGCO & Co. LLP

Chartered Accountants

g) Obtained the list of security created in the register of charges maintained by the Company, 'Form No. CHG-9' 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.

h) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

10. Based on the procedures performed by us, as referred to in paragraph 9 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 the Company has not maintained asset cover as per the terms of the Debenture Trust deed.

Restriction of use

11. 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

Sudha

Sudha Jaideep Shetty
Partner

Membership No: 047684
UDIN: 24047684BKHQX7718



Place: Hyderabad
Date: May 29, 2024

S. No.	ISIN	Facility	Date of Trust deed	Covenant reference as per DTD	Compliance
2	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
3	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
4	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
5	INE859C07162	5000 (Five Thousand) Secured, Listed, Rated, Unsubordinated, Redeemable, Transferable, Non-Convertible Debentures Having A Face Value Of INR 1,00,000/- (Indian Rupees One Lakh Only) Each, Aggregating Up To INR 50,00,00,000/- (Indian Rupees Fifty Crores Only)	23 rd March, 2024	Schedule VII Schedule X Schedule IX	Complied

For IKF Finance Limited

(Ch. Sreenivasa Rao)
Company Secretary



Place: Hyderabad
Date: 28.09.2024

IKF Finance Limited

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Financial Covenants		
Neo		
Sr. No	Requirement	As Per Verification
1	Maintain CRAR At 18%	26.51%
2	Cumulative ALM (Excluding CC limits) should always be positive in all the buckets upto 1 year	Positive
3	Tangible Networth to Gross Loan Portfolio minimum 12%	23.13%
4	Sum of PAR > 90 and write offs on Borrowers entire Portfolio maximum 5%	1.75%
5	Leverage Ratio below 4%	3.35
6	Promoter Group Shareholding not fall below 35%	42.84%

Piramal		
Sr. No	Requirement	As Per Verification
1	Debt to Networth is less than 5 %	3.10
2	Maintain CRAR At 20%	26.51%
3	Gross NPA- Less than 5 %	2.35%
4	NNPA is not more than 4%	1.80%
5	The earnings of the company after tax shall remain positive	Positive

Northern Arc Capital		
Sr. No	Requirement	As Per Verification
1	Maintain CRAR At 20%	26.51%
2	Cumulative ALM (Excluding CC limits) should always be positive in all the buckets upto one year to the extent of at least 10%	Positive
3	Tangible Networth to Gross Loan Portfolio minimum 12%	23.13%
4	Gross NPA- Less than 5 %	2.35%
5	Leverage Ratio below 4%	3.35

For IKF Finance Limited

(Ch Sreenivasa Rao)
Company Secretary
Place: Vijayawada
Date: 29.05.2024



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