

Independent Auditors' Report on Consolidated Financial Results of the IKF Finance Limited pursuant to the Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
IKF Finance Limited

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying Consolidated statement of Financial Results of **IKF Finance Limited** (hereinafter referred to as the 'the Parent') and its subsidiary (collectively hereinafter referred to as "the Group"), for the year ended March 31, 2025 attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the SEBI Regulation').
2. 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 reports of other auditor on separate audited financial statement of subsidiary, the aforesaid statement:

- a. Includes the financial results of the following entity:

Parent	IKF Finance Ltd
Subsidiary	IKF Home Finance Ltd

- b. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations, as amended; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standard, the relevant circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and other accounting principles



generally accepted in India, of the net profit and total comprehensive income and other financial information of the Group for the year ended March 31, 2025.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act 2013 ("Act"). Our responsibilities under those SAs are further described in the "Auditors' 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors Responsibility for the Consolidated Financial Results

4. These Consolidated Financial Results have been compiled from the audited consolidated financial statements.
5. The Parent's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group in accordance with 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 Regulation 52 of the LODR Regulation.
6. The respective Management and 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Parent, as aforesaid.
7. In preparing the Consolidated Financial Results, the Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

9. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 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 Group'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 Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results/financial 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.
11. We communicate with those charged with governance of the Parent and the respective auditors communicate with those charged with governance of such other entity included in the Consolidated Financial Results 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.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

13. The Consolidated Financial Results includes the audited financial result of one subsidiary whose financial statements /results reflect Group's share of total assets of Rs. 1,38,403.26 lakhs as at March 31, 2025, Group's net cash flow of Rs. 7,996.18 lakhs, Group's total revenue of Rs. 21,256.57 and Group's share of total net profit after tax of Rs. 3,376.41 lakhs for the year ended March 31, 2025, respectively, as considered in the Consolidated Financial Results, which has been audited by



their respective independent auditor. The independent auditor's report on financial result of such entity have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of such entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

14. Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the Financial Results/Financial Information certified by the Board of Directors.
15. These Consolidated Financial Results include the figures for the year ended March 31, 2024, which were audited by predecessor auditors who expressed an unmodified conclusion / opinion as relevant on those Consolidated Financial Results vide their audit report dated May 29, 2024. Our opinion on the Consolidated Financial Results is not modified in respect of this matter.

**For Mukund M Chitale & Co.
Chartered Accountants**

ICAI Firm Registration No.: 106655W



**Nilesh RS Joshi
Partner**

Membership No.: 114749

UDIN: 25114749BMILTB9267



Place: Hyderabad
Date: May 23, 2025



(Rs in Lakhs)

	Particulars	Year Ended	
		March 31, 2025 (Audited)	March 31, 2024 (Audited)
1	Revenue from operations		
	(a) Interest income	77,453.83	53,720.59
	(b) Fees and commission income	2,393.76	1,636.38
	(c) Net gain(Loss) on de recognition of financial instruments under amortised cost	5,372.53	2,326.97
	(d) Net gain on fair value changes	175.21	238.27
	(e) Other Operating Income	0.05	19.64
	Total revenue from operations	85,395.39	57,941.84
2	Other income	1,899.41	658.34
3	Total income (1 + 2)	87,294.80	58,600.18
4	Expenses		
	(a) Finance costs	42,037.67	28,476.10
	(b) Net loss on fair value changes	0.00	0.00
	(c) Impairment on financial instruments	4,917.25	2,018.32
	(d) Employee benefits expenses	15,737.91	10,638.24
	(e) Depreciation, amortization and impairment	516.00	468.88
	(f) Others expenses	4,971.05	3,297.51
	Total expenses	68,179.86	44,899.06
5	Profit before tax (3 - 4)	19,114.94	13,701.12
6	Tax expenses		
	(a) Current tax	4,159.46	3,327.22
	(b) Deferred tax	679.67	181.51
	(c) Adjustment of tax relating to earlier periods	(6.16)	11.88
7	Net Profit for the period (5 - 6)	14,281.97	10,180.51
8	Other comprehensive income		
	(A) Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit plans	(8.04)	(4.36)
	(b) Impact of changes in fair value of Financial Instruments	0.00	0.00
	(c) Income tax relating to items that will not be reclassified to profit or loss	(0.42)	(1.63)
	(d) Items that will not be reclassified to profit or loss	9.72	10.82
	(B) Items that will be reclassified to profit or loss		
	(a) Items that will be reclassified to profit or loss	(64.97)	(32.15)
	(b) Income tax relating to items that will be reclassified to profit or loss	16.57	8.09
9	Total Comprehensive Income (7 + 8)	14,234.81	10,161.29
10	Earnings per Share (Rs) (Face Value of Rs.10/- each)		
	- Basic (Not Annualised)	20.36	14.97
	- Diluted (Not Annualised)	20.35	14.97



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



Consolidated Statement of Assets and Liabilities for the Year ended March 31,2025

(Rs in Lakhs)

Particulars	March 31, 2025 (Audited)	March 31, 2024 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	28,252.25	4,721.03
(b) Bank balance other than included in (a) above	3,758.30	3,549.17
(c) Trade receivables	238.12	145.64
(d) Loans	569,450.54	414,297.53
(e) Investments	1,350.15	12,406.62
(f) Derivative financial instruments	-	62.79
(g) Other financial assets	11,844.84	6,655.13
Non-financial assets		
(a) Current tax assets (net)	346.66	43.25
(b) Deferred tax assets (net)	0.00	0.00
(c) Investment Property	162.06	130.03
(d) Property, plant and equipment	477.86	350.47
(e) Right of use asset	542.07	361.85
(f) Capital work in progress	5,540.39	47.59
(g) Intangibles assets under development	0.00	13.20
(h) Intangible assets	159.13	198.09
(i) Goodwill	774.47	774.47
(j) Other non-financial assets	2,091.72	4,329.92
TOTAL ASSETS	624,988.54	448,086.80
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments	43.06	0.00
(b) Trade Payables	176.55	157.85
(c) Debt securities	77,924.10	20,999.05
(d) Borrowings (other than debt securities)	407,681.16	307,465.24
(e) Subordinated liabilities	16,402.09	16,372.47
(f) Other financial liabilities	11,631.25	6,963.88
Non-financial liabilities		
(a) Current tax liabilities (Net)	0.00	114.33
(b) Provisions	204.82	342.98
(c) Deferred tax liabilities (Net)	1,302.94	639.43
(d) Other non-financial liabilities	735.18	375.65
Equity		
(a) Equity share capital	7,015.65	7,015.65
(b) Other equity	100,285.87	86,391.55
(c) Non- Controlling Interest	1,585.87	1,248.72
TOTAL LIABILITIES AND EQUITY	624,988.54	448,086.80



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Consolidated Cash Flow statement for the year ended March 31, 2025

Particulars	(Rs in Lakhs)	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	19,114.94	13,701.12
Adjustments for:		
Depreciation, amortisation and impairment	516.00	468.88
Interest Income	(77,453.83)	(53,720.59)
Interest expenses	42,037.67	28,476.10
Impairment on financial instrument	4,899.70	2,018.32
Net loss on fair value changes	-	-
Lease equalisation	-	-
Share based payment expense	14.21	1.08
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)	-	-
Net gain/(loss) on financial instrument at amortised category	(5,372.53)	(2,326.97)
Provision for expenses	14.00	12.75
Employee benefit expenses	113.15	109.83
Rental income on Investment property	(9.15)	(9.15)
(Profit)/ Loss on sale of property, plant and equipment	(0.12)	(344.17)
(Profit)/ Loss on sale of immovable Property	-	288.33
Cash generated from / (used in) operations before working capital changes and adjustments for interest	(16,125.98)	(11,324.47)
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(92.48)	(145.64)
Decrease / (Increase) in loans	(155,409.51)	(144,910.39)
Decrease / (Increase) in bank balances other than cash and cash equivalents	(209.13)	2,549.61
Decrease / (Increase) in other financial assets	(729.70)	2,024.62
Decrease / (Increase) in other non-financial assets	2,238.20	(942.43)
(Decrease) / Increase in trade payables	18.70	44.83
(Decrease) / Increase in other financial liabilities	4,480.42	2,868.23
(Decrease) / Increase in provisions	(251.31)	(93.21)
(Decrease) / Increase in other non-financial liabilities	359.54	112.15
Interest received	72,521.58	49,729.46
Interest paid	(41,678.89)	(29,144.64)
	(134,878.57)	(129,231.89)
Income tax paid (net of refunds)	(3,719.40)	(2,867.46)
Derivative financial instruments	105.85	(11.77)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(138,492.12)	(132,111.12)



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(Rs in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,863.46)	(120.88)
Purchase of Investment property	(32.20)	(58.05)
Rental income on Investment property	9.15	9.15
Proceeds from sale of property, plant and equipment	52.39	344.35
Proceeds from sale of Investment property	-	(288.33)
Purchase of intangible assets	(18.73)	(43.40)
ROU Adj	-	-
Purchase of investments measured at cost	11,056.48	8,841.20
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	5,203.63	8,684.06
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	(0.00)	12,000.01
Share issue expenses	(18.00)	(879.18)
Amount received from debt securities	70,300.00	15,000.00
Repayment of debt securities	(13,478.86)	(19,889.84)
Amount received from borrowings other than debt securities	236,799.23	162,694.34
Repayment of borrowings other than debt securities	(136,521.88)	(68,329.30)
Amount received from subordinated Liabilities	-	-
Repayment of subordinated debt	-	-
Payment of principal portion of lease liabilities	(214.74)	(219.12)
Payment of interest on lease liabilities	(46.48)	(46.08)
Deposits received (net)	-	-
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	156,819.27	100,330.83
Net Increase / (Decrease) in Cash and Cash Equivalents	23,530.78	(23,096.23)
Cash and Cash Equivalents at the beginning of Year	4,721.03	27,817.26
Cash and Cash Equivalents at the end of the Year	28,252.25	4,721.03

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 consolidated audited financial results (the 'Statement') in accordance with Indian Accounting Standards ('Ind AS') prescribed u/s 133 of the companies act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, directions/ guidelines issued by the Reserve Bank of India ('RBI') and other recognized accounting practices generally accepted in India. The above audited consolidated financial results are in compliance with regulation 52 read with regulation 63 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations 2015').
- 2 The Material accounting policies that are applied in preparation of these audited consolidated financial results are consistent with those followed in the consolidated financial statements for the year ended March 31, 2024. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under that circular/direction.
- 3 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 23, 2025. The Financial results for the year ended March 31, 2025 have been audited by the statutory auditor of the Company, Mukund M Chitale & Co. An unmodified opinion report has been issued by them thereon. The results of the year ended March 31, 2024 were audited by M/s SGCO & Co LLP Chartered Accountants on which they have issued an unmodified opinion.
- 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 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	115.89	9.74	-	3.80	102.35
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	60.09	-	-	13.10	46.99
Total	175.98	9.74	-	16.91	149.33

- 6 Details of loans transferred / acquired during the Year ended March 31, 2025 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given
 (i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2025

Particulars	Transferred		Acquired	
	IKF Finance Ltd	IKF Home Finance Limited	IKF Finance Ltd	IKF Home Finance Limited
Aggregate amount of loans transferred / acquired (Rs. in lakhs)	37854.23	13739.32	3260.56	Nil
Weighted average maturity (in months)	42.67	124.89	16.82	Nil
Weighted average holding period (in months)	10.92	14.79	6.55	Nil
Retention of beneficial economic interest by the originator	10.00%	10.00%	11.27%	Nil
Tangible security Coverage	100.00%	100.00%	100.00%	Nil
Rating-wise distribution of rated loans	Not Applicable	Not Applicable	Not Applicable	Not Applicable

- (ii) The Company has not transferred any non-performing assets (NPAs) during the year ended March 31, 2025
- (iii) The Company has not transferred any Special Mention Account (SMA) and loan in default during the year ended March 31, 2025
- (iv) The Company has not acquired any stressed loan during the year ended March 31, 2025

- 7 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.



Umesh Chitale
 Umesha Finance Limited
 HYDERABAD

- 8 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.
- 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 consolidated financial results for the year ended March 31,2025:

	Particulars	Year Ended	
		March 31, 2025 (Audited)	March 31, 2024 (Audited)
a)	Debt equity ratio (no. of times) (refer note ii)	4.68	3.69
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)	107,301.52	93,407.20
h)	Net profit (loss) after tax	14,281.97	10,180.51
i)	Earnings per share (face value of Rs 10/- each) (not annualized for the interim period)		
	-Basic (Rupees)	20.36	14.97
	-Diluted (Rupees)	20.35	14.97
j)	Current ratio	N/A	N/A
k)	Long term debt to working capital		
l)	Bad debts to Account receivable ratio	N/A	N/A
m)	Current liability ratio	N/A	N/A
n)	Total debts to total assets (refer note iv)	80.32%	76.96%
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)	16.36%	17.37%

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

Place: Hyderabad
 Date: 23 May 2025



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

Vasumathi Devi Koganti
 Managing Director

