



February 10, 2023

To

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

Dear Sir/ Madam

Sub: Asset Cover Certificate

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

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

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

Kindly take the above on record.

Thanking you,

Yours faithfully,

For IKF Finance Limited

(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: #4th Floor, # 6-3-902/A, Central Plaza, Near Yashoda Hospital,
Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. Ph: 91-40-23412082 | Fax: 91-40-23412081

CIN:U65992AP1991PLC012736

Independent Auditor's Report on Asset Cover as at December 31, 2022 under Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to IDBI Trusteeship Services Limited (the 'Debenture Trustee') and Bombay Stock Exchange (BSE)

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

1. This report is issued in accordance with requirements of email dated February 08, 2023 received from IKF Finance Limited (hereinafter the "Company").
2. We SGCO & Co LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Asset Cover' as per the terms of Debenture Trust Deed for the listed non- convertible debt securities as at December 31, 2022 (the "Statement") which has been prepared by company from the reviewed financial results and other relevant records and documents maintained by the Company as at quarter and nine month ended December 31, 2022 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, (the "SEBI regulations").

This Report is required by the Company for the purpose of submission with IDBI Trusteeship Limited (the "Debenture Trustee") and the BSE to ensure compliance with the SEBI Regulations and SEBI Circular SEBI/HO/MIRSD/MIRSO_CRADT/CIR/P/2022/67 dated May 19, 2022 ("the circular") in respect of its listed non-convertible debt securities as at December 31, 2022 ("Debentures"). The Company has entered into agreement(s) with the Debenture Trustee ("Debenture Trust Deed") in respect of such Debentures, as indicated in the statement.

Management's Responsibility

3. 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.
4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular, SEBI Regulations, Companies Act, 2013 and other applicable laws and regulations, as applicable.
5. The Management is also responsible to ensure that Assets Cover Ratio as on December 31, 2022 is in compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 with the minimum asset cover requirement of hundred percent as per the SEBI Regulations as given in Annexure 1 attached to this certificate.

Auditor's Responsibility

6. Our responsibility, for the purpose of this certificate is to verify that the particulars contained in the Statement, on the basis of the reviewed unaudited books of accounts and other relevant records and documents maintained by the company and to certify asset cover ratio is minimum hundred percent as per the minimum requirement stated in SEBI Regulations.
7. We have reviewed the unaudited books of accounts for the quarter and nine months ended December 31, 2022, prepared by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated February 10, 2023. Our review of these unaudited books of accounts for the quarter and nine months ended December 31, 2022 was conducted in accordance with

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the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI") respectively.

8. We conducted our examination of the Statement 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.
9. 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.
10. Our scope of work 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 unaudited books of accounts 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 unaudited books of accounts, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance and 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:
 - a) Traced all the amounts relating to assets and liabilities (as mentioned in the Annexure 1) to the unaudited books of accounts as at December 31, 2022, 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 December 31, 2022, certified by the management and M/s. Hanumaiah & Co. Chartered Accountants dated November 5, 2022
 - c) Obtained statement of receivables hypothecated to Lenders for Listed non-convertible Debentures as at December 31, 2022, certified by the management and M/s. Hanumaiah & Co. Chartered Accountants dated February 4, 2023
 - d) Obtained and read the Debenture Trust Deed and the Information Memorandum in respect of the secured Debentures and noted the asset 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 on December 31, 2022 to the unaudited books of account maintained by the Company as at and for nine month ended December 31, 2022;
 - f) Obtained and read the particulars of asset cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the Information Memorandum and compared it with the information furnished in Part A of the Statement.
 - g) Traced the value of assets indicated in Annexure 1 of the Statement from management certified Statement of receivables hypothecated to lenders as on December 31, 2022 ("Hypothecated assets reports"). We have checked the Receivable amount of Hypothecated assets reports from Loans Outstanding report as on December 31, 2022.
 - h) Obtained the list of security created in the register of charges maintained by the Company, 'Form No. CHG-9' and 'Form No. CHG 1' filed with Ministry of Corporate Affairs. Traced the value of charge created against assets to the asset cover relating to principal value of listed non- convertible debt securities indicated in Part A of the Statement.
 - i) Performed necessary inquiries with the Management and obtained necessary representations;

12. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.
13. Based on the procedures performed by us, as referred to in paragraph 11 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 hundred percent asset cover as per the terms of the Information memorandum and Debenture Trust deed. We further state that book value of the asset provided in Annexure 1 attached to this report is in conformity with books of accounts maintained by the company.

Restriction of use

14. 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 & BSE 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

Firm Reg. No. :- 112081W/W100184

SURESH
PRAHLADRAI
MURARKA



Suresh Murarka

Membership No. :- 044739

UDIN : 23044739BGUNLJ7786

Date :- February 10, 2023

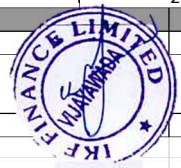
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Annexure-I

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					Total Value(=K+L+M+N)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ⁽ⁱⁱⁱ⁾	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)		
		Book Value	Book Value	Yes/No	Book Value	Book Value								Relating to Column F	
ASSETS															
Property, Plant and Equipment		-	-	-	-	-	249.29	-	249.29	-	-	-	-	-	
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	-	-	-	289.32	-	289.32	-	-	-	-	-	
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	158.99	-	158.99	-	-	-	-	-	
Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments		-	-	-	-	-	28,675.05	-	28,675.05	-	-	-	-	-	
Loans		12,374.20	1,73,381.77	-	-	-	8,743.93	-	1,94,499.90	-	12,374.20	-	-	12,374.20	
Inventories		-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash and Cash Equivalents		-	-	-	-	-	7,558.02	-	7,558.02	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	5,220.32	-	5,220.32	-	-	-	-	-	
Others		-	-	-	-	-	4,695.80	-	4,695.80	-	-	-	-	-	
Total		12,374.20	1,73,381.77	-	-	-	55,590.73	-	2,41,346.70	-	12,374.20	-	-	12,374.20	
LIABILITIES															
Debt securities to which this certificate pertains		10,128.29	-	-	-	-	-	-	10,128.29	-	10,128.29	-	-	10,128.29	
Other debt sharing pari-passu charge with above debt		not to be filed	-	-	-	-	-	-	-	-	-	-	-	-	
Other Debt			-	-	-	-	-	-	-	-	-	-	-	-	
Subordinated debt			-	-	-	-	-	18,356.50	-	18,356.50	-	-	-	-	
Borrowings			-	-	-	-	-	-	-	-	-	-	-	-	
Bank (Note 1)	Term loans and cash credit from Banks		1,33,722.27	-	-	-	-	-	-	1,33,722.27	-	-	-	-	
Debt Securities			-	-	-	-	-	3,530.65	-	3,530.65	-	-	-	-	
Others	Term loans from NBFC/FI and Securitization		26,362.62	-	-	-	-	-	-	26,362.62	-	-	-	-	
Trade payables			-	-	-	-	-	-	-	-	-	-	-	-	
Lease Liabilities			-	-	-	-	-	284.62	-	284.62	-	-	-	-	
Provisions			-	-	-	-	-	366.17	-	366.17	-	-	-	-	
Others		-	-	-	-	-	2,646.33	-	2,646.33	-	-	-	-		
Total		10,128.29	1,60,084.89	-	-	-	25,184.27	-	1,95,397.45	-	10,128.29	-	-	10,128.29	
Cover on Book Value		1.22									1.22			1.22	
Cover on Market Value															
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio										



Notes
 1) The "Borrowings from banks mentioned in column D of Rs 1,33,722.27 lakhs includes onlending term loans of Rs 8,500 lakhs in respect of which creation of security is under process
 2) The "Borrowings from NBFC/FI mentioned in column D of Rs 26,362.62 lakhs includes onlending term loans of Rs 2,500 lakhs in respect of which creation of security is under process