IKF Finance Ltd

Financial Services - NBFC - Vehicle & MSME Finance - Unlisted

Vijayawada vehicle, MSME and housing lender: FY26 consolidated PAT Rs 214.5 Cr (+50%), net worth Rs 1,982 Cr after a Rs 750 Cr equity raise, CRAR 27%; Rs 225 is about 2.1x book and 19x trailing earnings on 18.19 Cr post-split shares.

INDICATIVE PRICE	MARKET CAP	P/E	P/B
Rs 225.00 (+0.00% today)	**Rs 4,093 Cr**	**19.08**	**2.06**

BOOK VALUE / SHARE	EPS	52-WEEK RANGE	LOT / SETTLEMENT
Rs 108.96	**Rs 11.79**	**Rs 180 - Rs 281**	**100 shares - T+1 working day**

About the company

IKF Finance Limited (CIN U65992AP1991PLC012736) is a Vijayawada-headquartered, RBI-registered middle-layer NBFC that lends against used and new commercial vehicles, tractors, cars and construction equipment and to small businesses, and owns 100% of IKF Home Finance Limited, an affordable-housing lender. Its secured NCDs and a Tier-II bond are listed on BSE, so it files audited results under SEBI Regulation 52. The document behind this page is the Regulation 52 filing of 11 May 2026: audited standalone and consolidated results for the quarter and year ended 31 March 2026, with the auditor's reports, Regulation 52(4) ratios, security-cover and covenant certificates. It is not the annual report, so board composition, shareholders, remuneration and related-party detail are not in it.

The filed numbers are strong. Consolidated total income rose 36% to Rs 1,189.3 Cr (interest income Rs 1,088.9 Cr) and profit after tax 50% to Rs 214.5 Cr; standalone total income rose 37.5% to Rs 908.0 Cr and PAT 53% to Rs 164.8 Cr. Consolidated loans grew 28% to Rs 7,306.5 Cr (standalone Rs 5,790.7 Cr, housing roughly Rs 1,500 Cr). The subsidiary alone had total assets of Rs 1,703 Cr, revenue Rs 272.5 Cr and PAT Rs 49.2 Cr. Net profit margin on total income was 18.0% consolidated (16.4% in FY25).

FY26 was also a balance-sheet reset. The company raised Rs 749.8 Cr of fresh equity (Rs 738.7 Cr net of issue costs), taking standalone net worth from Rs 988.5 Cr to Rs 1,895.6 Cr and consolidated net worth to Rs 1,982.0 Cr; debt-to-equity fell to 2.98x consolidated (4.68x) and standalone CRAR rose to 27.34% (20.86%). It bought out the minority in IKF Home Finance for Rs 64.4 Cr and put a further Rs 195.9 Cr of capital into it. Shareholders approved a split of the Rs 10 share into two Rs 5 shares at an EGM on 6 March 2026 (record date 30 March 2026), leaving 18.19 Cr shares of Rs 5. Share capital rose from Rs 70.2 Cr to Rs 90.9 Cr, i.e. about 4.16 Cr new Rs 5-equivalent shares, which implies an average issue price near Rs 180 per Rs 5 share if the whole increase was primary subscription (the filing does not split subscription from any conversion).

Financials (Rs Cr)

	FY25	FY26
Revenue	853.98	1,167.96
EBITDA	616.59	820.57
Profit after tax	142.82	214.52
EPS (Rs)	10.18	11.79
Net worth	1,073.02	1,982.02
Debt / equity	4.68	2.98
OPM %	72.2%	70.3%
ROE %	13.3%	10.8%

Revenue CAGR +36.8% - Profit CAGR +50.2% - figures from filed accounts where available; see the verification notes on the website.

Shareholding

Holder	Category	Shares (Cr)	%
Promoter group (Vupputuri / Koganti family)	Promoter	6.57	36.1%
Institutional and other investors (Motilal Oswal PE, Accion and others; split not disclosed in this filing)	Institutional	11.62	63.9%

Board and management

Name	Designation	Since
K. Vasumathi Devi (Vasumathi Devi Koganti)	Managing Director	01 Jan 2010
V. G. K. Prasad	Founder & Chairman	01 Apr 1991
Ch. Sreenivasa Rao	Company Secretary & Compliance Officer	28 Oct 2022

MCA registry snapshot

CIN	STATUS	AUTHORISED CAPITAL
U65992AP1991PLC012736	Active	Rs 150 Cr
PAID-UP CAPITAL	**LAST AGM**	**LAST BALANCE SHEET**
Rs 90.94 Cr	26 Sept 2025	31 Mar 2026

Date	Form	Description	Status
11 May 2026	Reg 52 results (BSE)	Audited standalone and consolidated results for Q4/FY2025-26 with audi	Approved
30 Mar 2026	SH-7	Sub-division of equity shares from Rs 10 to Rs 5 (EGM 6 March 2026; record	Approved
30 Sept 2026	AOC-4 XBRL	Financial statements for FY 2025-26 (due after the AGM; not yet seen)	Pending

Original filings (AOC-4 accounts, MGT-7 returns, charges) can be downloaded from the MCA21 portal under this CIN for a nominal fee; offer documents are on SEBI's site.

Reports and documents

Document	Type	Period	Where
Audited financial results FY2025-26, standalone and consolid	Annual Report	FY26	Download on the website

Strengths

- Earnings compounding: consolidated PAT Rs 214.5 Cr in FY26 vs Rs 142.8 Cr in FY25 (+50%); standalone PAT Rs 164.8 Cr vs Rs 107.9 Cr; basic consolidated EPS Rs 12.17 vs Rs 10.18 even after a 30% rise in share count.
- Heavily capitalised after the Rs 749.8 Cr FY26 raise: consolidated net worth Rs 1,982 Cr, standalone CRAR 27.34% against the 15% regulatory floor, debt-to-equity down to 2.98x consolidated from 4.68x, tangible net worth 28.2% of gross loans.
- Scale and growth: consolidated loan book Rs 7,306.5 Cr (+28%), standalone Rs 5,790.7 Cr (+28%), with housing subsidiary IKF Home Finance now wholly owned, contributing PAT of Rs 49.2 Cr on Rs 1,703 Cr of assets.
- Clean audit: Mukund M. Chitale & Co issued unmodified opinions on both standalone and consolidated results; Ind AS ECL provisions (Rs 83.7 Cr standalone) exceed RBI IRACP requirements so no impairment reserve was needed; all NCD covenants reported as complied and NCD proceeds fully utilised with nil deviation.
- Diversified, rated funding: CARE A+ / India Ratings AA-, ten listed secured NCD series plus Tier-II bonds (Rs 1,160 Cr of debt securities consolidated), bank term loans of about Rs 2,704 Cr and securitisation/direct assignment (Rs 558 Cr of loans assigned in FY26 at a gain of Rs 28.2 Cr standalone); liquidity coverage ratio 495.7%.
- Profitability metrics improving: standalone net profit margin 18.2% (16.4%), yield on average loans about 16.6% against a cost of borrowings near 9.6%, cost-to-income roughly 38% on net income.
- Shareholder-friendly structure for an unlisted NBFC: Rs 5 face value after the March 2026 split, listed debt with quarterly audited disclosure, and promoter-group holding of 36.13% monitored under debenture covenants.

Risks

- Credit costs are rising faster than the book: standalone impairment Rs 84.4 Cr vs Rs 39.7 Cr (+112%) on 28% loan growth; gross stage-3 rose to 2.52% from 2.24% and net stage-3 to 1.69%; Q4 FY26 impairment of Rs 32.2 Cr was 70% above Q4 FY25.
- Thin stage-3 coverage: provision coverage ratio of 33.6% means two-thirds of recognised bad loans rely on collateral realisation (used vehicles, property); a rise in loss-given-default would hit earnings directly.
- Co-lending book of Rs 204.8 Cr carries gross NPAs of Rs 16.2 Cr (about 7.9%), far above the portfolio average; this channel (CVs, construction equipment, MSME) is small today but is a watch item.
- Valuation already prices in execution: Rs 225 is about 2.1x consolidated book and 19x FY26 earnings for a company whose consolidated ROE was about 14% on average equity in FY26; the implied FY26 issue price was only about Rs 180 per Rs 5 share, so the board rate carries a 25% premium to the last primary money.
- Dilution: share count rose about 30% in FY26 (14.03 Cr to 18.19 Cr Rs 5-equivalent shares); growth at 28% a year with a 4.5x leverage covenant and 20% CRAR covenants will require further equity in time, and the filing gives no IPO timetable.
- Still a leveraged, wholesale-funded balance sheet: consolidated debt Rs 5,905 Cr (73% of assets), finance costs Rs 529 Cr or 45% of total income; NCD covenants require CRAR >=20%, leverage <4.5x, GNPA <4.5-5% and promoter holding >=25-35%, which constrain capital policy.
- Disclosure gap: this Regulation 52 filing gives no board list, shareholder list beyond the promoter-group percentage, remuneration, related-party transactions, branch count or product-wise loan mix; the housing/vehicle/MSME split on this page is derived from standalone versus consolidated figures.
- Operating leverage runs both ways: employee costs rose 28% standalone to Rs 141 Cr and other expenses 42% to Rs 42.2 Cr; the new labour codes added Rs 0.97 Cr consolidated in FY26 with rules still to be finalised.

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