



**KANAKADURGA™**  
FINANCE LIMITED  
YOUR PROSPERITY. OUR PRIORITY

To  
BSE Limited  
P J Towers  
Dalal Street  
Mumbai-40001

Date: 14.11.2023

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on November 14, 2023**

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

Scrip Code: **974223, 974509**

Pursuant to the provisions of Regulation 51, 52 and 54 together read with Part B of Schedule III of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time and other regulations, if applicable, we hereby inform that the Board of Directors of the Company at its Meeting held today i.e., Tuesday, November 14, 2023, have inter-alia considered and approved the un-audited financial results for the quarter and half year ended September 30, 2023.

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

- d) Un Audited Financial Results of the Company for the quarter and half year ended September 30, 2023 together with the Limited Review Report of the Statutory Auditors’ thereon;
- e) Disclosure pursuant to Regulation 52 (4) and other applicable regulations, if any of SEBI Listing Regulations;
- f) Declaration regarding audit report with unmodified opinion under Regulation 52 (3) of SEBI Listing Regulations.

Kindly take the same on record.

Yours faithfully,

**For Kanakadurga Finance Limited**

JAYAPRAKASH NARAYANA Digitally signed by JAYAPRAKASH  
NARAYANA CHOWDARY SANDIREDDY  
CHOWDARY SANDIREDDY Date: 2023.11.14 16:01:22 +05'30'

**S.Jayaprakash Narayana Chowdary**

**Managing Director**

**DIN-00538246**

**Independent Auditor's Review Report on Unaudited quarter ended and year to date Financial Results of the NBFC pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
Kanakadurga Finance Limited.**

1. We have reviewed the accompanying statement of unaudited financial results of Kanakadurga Finance Limited for the period ended September 30, 2023 and year to-date results for the period April 01, 2023 to September 30, 2023 ('the Statement') being submitted by the NBFC 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 Regulation'). This statement is the responsibility of the NBFC's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the based on our review.
2. This statement has been prepared by the NBFC's Management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directors issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other recognized accounting principles generally accepted in India.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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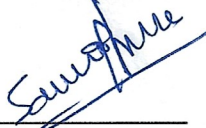
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, RBI Guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Our conclusion is not modified in respect of this matter.

**For JHS & Associates**

Chartered Accountants

ICAI Firm Registration No.133288W/W100099



Samad Dhanani

Partner

Membership No. 177200

UDIN: 23177200BHAEBN7303



Place: Mumbai

Date: November 14, 2023

KANAKADURGA FINANCE LIMITED

[CIN: U65921AP1994PLC018605]

54-9-23, 100 FEET ROAD, AUTONAGAR, VIJAYAWADA, ANDHRA PRADESH-520007

STATEMENT OF UNAUDITED ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	As at	As at
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>1 Financial Assets</b>		
a Cash and cash equivalents	11,884.37	10,875.27
b Bank balance other than cash and cash equivalents	2.12	244.87
c Loans	44,975.41	44,061.75
d Other financial assets	1,355.02	1,180.42
<b>2 Non-financial assets</b>		
a Current tax assets (Net)	48.69	97.90
b Deferred tax assets (Net)	-	-
c Property, plant and equipment	1,554.51	1,577.45
d Right to Use assets	983.16	913.85
e Intangible assets	29.42	33.38
f Other non-financial assets	241.87	238.45
<b>Total Assets</b>	<b>61,074.57</b>	<b>59,223.34</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial liabilities</b>		
a Debt securities	7,586.05	15,324.15
b Borrowings (other than debt securities)	38,556.39	30,045.24
c Subordinated liabilities	1,001.25	1,001.25
d Other financial liabilities	2,207.40	1,555.83
<b>2 Non-financial liabilities</b>		
a Provisions	16.06	16.06
b Deferred tax liabilities (Net)	42.34	64.21
c Other non-financial liabilities	63.47	58.59
<b>Total liabilities (A)</b>	<b>49,472.95</b>	<b>48,065.33</b>
<b>3 Equity</b>		
a Equity share capital	1,521.72	1,521.72
b Other equity	10,079.90	9,636.29
<b>Total equity (B)</b>	<b>11,601.62</b>	<b>11,158.01</b>
<b>Total liabilities and Equity (A+B)</b>	<b>61,074.57</b>	<b>59,223.34</b>



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**KANAKADURGA FINANCE LIMITED**  
[CIN: U65921AP1994PLC018605]

54-9-23, 100 FEET ROAD, AUTONAGAR, VIJAYAWADA, ANDHRA PRADESH-520007

Statement of unaudited financial results for the quarter and half year ended 30th September 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
	30 september 2023	30 June 2023	30 september 2022	30 september 2023	30 september 2022	31 March 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>						
i Interest income	2,851.40	2,534.41	2,556.41	5,385.81	4,944.62	10,581.47
ii Fees and commission income	480.85	433.80	247.10	914.66	466.73	1,174.88
(I) <b>Total revenue from operations</b>	<b>3,332.26</b>	<b>2,968.21</b>	<b>2,803.51</b>	<b>6,300.47</b>	<b>5,411.35</b>	<b>11,756.35</b>
(II) <b>Other income</b>	<b>10.16</b>	<b>11.63</b>	<b>11.09</b>	<b>21.79</b>	<b>18.53</b>	<b>45.12</b>
(III) <b>Total income (I+II)</b>	<b>3,342.42</b>	<b>2,979.84</b>	<b>2,814.60</b>	<b>6,322.26</b>	<b>5,429.88</b>	<b>11,801.47</b>
<b>Expenses</b>						
i Finance costs	1,469.09	1,477.93	1,185.74	2,947.02	2,421.68	5,556.24
ii Impairment on financial instruments	247.59	149.78	324.69	397.37	591.33	839.07
iii Employee benefit expenses	725.82	696.72	815.36	1,422.54	1,475.85	2,953.59
iv Depreciation and amortization	113.53	113.83	106.44	227.36	215.13	354.02
v Other expenses	380.01	357.24	365.44	737.25	653.59	1,574.00
(IV) <b>Total expenses</b>	<b>2,936.04</b>	<b>2,795.50</b>	<b>2,797.67</b>	<b>5,731.54</b>	<b>5,357.58</b>	<b>11,276.92</b>
(V) <b>Profit before tax (III-IV)</b>	<b>406.38</b>	<b>184.34</b>	<b>16.93</b>	<b>590.72</b>	<b>72.30</b>	<b>524.55</b>
(VI) <b>Tax expense</b>						
(1) Current tax	120.43	48.55	4.26	166.98	18.19	117.10
(2) Deferred tax	(16.87)	(5.00)	-	(21.87)	-	37.78
<b>Total tax expense</b>	<b>103.56</b>	<b>43.55</b>	<b>4.26</b>	<b>147.11</b>	<b>18.19</b>	<b>154.88</b>
(VII) <b>Profit for the year (V-VI)</b>	<b>302.82</b>	<b>140.79</b>	<b>12.67</b>	<b>443.61</b>	<b>54.11</b>	<b>369.67</b>
(VIII) <b>Other comprehensive income / (expenses)</b> Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	-	-	-	-	-	26.34
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
<b>Other comprehensive income/(expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.34</b>
(IX) <b>Total comprehensive income for the year (VII+VIII)</b>	<b>302.82</b>	<b>140.79</b>	<b>12.67</b>	<b>443.61</b>	<b>54.11</b>	<b>396.01</b>
(X) <b>Earnings per equity share#</b>						
Basic (Rs.)	1.99	0.93	0.63	2.92	0.36	2.43
Diluted (Rs.)	1.99	0.93	0.63	2.92	0.36	2.43
(Earnings per share for the interim period is not annualized.)						



**KANAKADURGA FINANCE LIMITED**  
[CIN: U65921AP1994PLC018605]  
54-9-23, 100 FEET ROAD, AUTONAGAR, VIJAYAWADA, ANDHRA PRADESH-520007  
Statement of cash flows for the Half year ended September 30, 2023  
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Half year ended September 30, 2023	Half year ended September 30, 2022	Year ended March 31, 2023
<b>Cash flow from operating activities</b>			
Profit / (Loss) before tax	590.72	72.30	524.55
<b>Adjustments for:</b>			
Depreciation and amortization expenses	57.57	53.45	104.24
Amortization expenses on Intangibles	7.32	4.73	11.32
Depreciation on ROUA assets	162.47	156.95	238.46
(Gain)/ loss on sale of fixed assets	0.60	0.07	0.49
Impairment on financial instruments	90.48	10.78	42.09
Bad debts and Write offs	306.88	590.55	796.99
Finance cost Incurred	2,947.02	2,421.68	5,556.24
<b>Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received</b>	<b>4,163.06</b>	<b>3,300.51</b>	<b>7,274.37</b>
<b>Changes in working capital</b>			
Decrease/(Increase) in Loans	(913.66)	(4,593.79)	(5,740.08)
Decrease/(Increase) in other financial assets	(174.60)	(583.21)	(740.32)
Decrease/(Increase) in other non-financial assets	(3.41)	11.98	(117.18)
(Decrease)/Increase in other financial liabilities	651.57	80.35	(433.09)
(Decrease)/Increase in other non- financial liabilities	(17.00)	15.24	0.32
<b>Cash generated/(used) in operations before adjustments for interest received, interest paid and dividend received</b>	<b>3,705.96</b>	<b>(1,768.92)</b>	<b>244.02</b>
<b>Cash generated/(used) in operations</b>	<b>3,705.96</b>	<b>(1,768.92)</b>	<b>244.02</b>
Income tax paid (including TDS receivable & IT Refund)	(49.22)	58.19	(68.94)
<b>Net cash flows from (used in) operating activities (A)</b>	<b>3,656.74</b>	<b>(1,710.73)</b>	<b>175.08</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(36.23)	(87.92)	(110.56)
Purchase of intangible assets	(3.36)	(13.26)	(31.02)
Proceeds from sale of property, plant and equipment	8.45	0.42	9.57
<b>Net cash flow from / (Used in) investing activities (B)</b>	<b>(31.13)</b>	<b>(100.76)</b>	<b>(132.01)</b>
<b>Cash flow from Financing activities</b>			
Debt securities issued (including Subordinated debt)	1,979.35	3,378.81	4,829.38
Debt securities repaid (including Subordinated debt)	(9,717.45)	(3,548.85)	(7,824.55)
Borrowings other than debt securities taken	17,376.45	13,055.60	22,545.40
Borrowings other than debt securities repaid	(10,079.90)	(11,752.65)	(16,262.33)
Bank balance other than cash and cash equivalents	242.75	315.42	647.29
Finance Cost paid	(2,417.71)	(2,402.77)	(4,749.09)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,616.51)</b>	<b>(954.44)</b>	<b>(813.90)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,009.09</b>	<b>(2,765.93)</b>	<b>(770.83)</b>
Cash and cash equivalents at the beginning of the year	10,875.27	11,646.11	11,646.11
Cash and cash equivalents at the end of the year	11,884.37	8,880.17	10,875.27
<b>For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:</b>			
<b>Cash and cash equivalents</b>	<b>September 30, 2023</b>	<b>September 30, 2022</b>	<b>March 31, 2023</b>
Balances with banks:			
On current accounts	10,230.45	7,163.57	9,294.24
Cash on hand	1,653.92	1,716.60	1,581.04
<b>Total</b>	<b>11,884.37</b>	<b>8,880.17</b>	<b>10,875.27</b>



**Notes:**

1. The standalone financial results has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 interim Financial Reporting (Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.
2. The above standalone financial results have been reviewed by the Audit Committee at their meeting held on today and approved by the Board of Directors at their meeting held on November 14, 2023 and have been subjected to limited review by J.H.S & Associates LLP, statutory auditors of the company.
3. Previous period figures have been regrouped /reclassified wherever necessary to confirm to current period presentation.
4. Disclosure as per the notification dated September 24 2021 under Reserve Bank of India (Transfer of Loan Exposure) Directions, 2021 relating to the total amount of loans not in default stressed loans transferred and acquired to/ From other entities)
  - a) Details of loans transferred through assignment during the period half year ended 30th September, 2023.

Particulars	Transferred
Aggregate amount of loans transferred/acquired (Rs. In lakhs)	6243.10
Weighted average maturity (in months)	35.28
Weighted average holding period (in months)	8.07
Retention of beneficial economic interest by the originator	10.00%
Tangible security coverage	100.00%
Rating-wise distribution of rated loans	Not Applicable

- b) The Company has not transferred /acquired any stressed loans during the quarter ended 30 September 2023.



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Appendix-1

Analytical Ratios Disclosure in compliance with Regulations 52(4) of the SEBI (LODR) Regulations, 2015

S No	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt equity ratio (Note-ii)	4.06	3.93	3.95	4.06	3.95	4.13
2	Debt Service Coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest coverage ratio	1.28	1.13	1.03	1.28	1.03	1.10
4	Outstanding redeemable preference shares	NA	NA	NA	NA	NA	NA
5	Capital Redemption reserve	NA	NA	NA	NA	NA	NA
6	Net worth (Note- iii)	11,601.61	11,298.80	10,816.12	11,601.61	10816.12	111,58.02
7	Net profit (loss) after tax	302.82	140.79	54.12	443.60	54.12	216.10
8	Basic /Diluted EPS	1.99	0.93	0.36	2.92	0.36	1.42
9	Current Ratio	1.28	1.23	1.47	1.28	1.47	1.27
10	Long Term Debt to Working Capital	3.85	4.11	4.46	3.85	4.46	
11	Bad debts to Accounts receivable ratio	NA	NA	NA	NA	NA	NA
12	Current Liability ratio	NA	NA	NA	NA	NA	NA
13	Total debts to total assets (Note-iv)	79.52%	76.11%	77.36%	79.52%	77.36%	78.30%
14	Debtors turnover	NA	NA	NA	NA	NA	NA
15	Inventory turnover	NA	NA	NA	NA	NA	NA
16	Operating margin(%)	NA	NA	NA	NA	NA	NA
17	Net profit margin (%) (Note-v)	9.07%	6.17%	0.45%	9.34%	5.39%	3.13%
18	Sector specific equivalent ratios as applicable						
	(i) Gross Stage-3 assets % (Note-vi)	3.96%	3.30%	3.41%	3.96%	3.41%	3.81%
	(ii) Net Stage-3 assets % (Note-vii)	3.23%	2.73%	2.64%	3.23%	2.64%	2.89%
	(iii) Capital Adequacy Ratio (CRAR)	24.18%	23.96%	24.10%	24.18%	24.10%	23.97%
	(iv) Provision Coverage Ratio for Stage-3 assets PCR % (Note-ix)	28.59%	17.57%	23.18%	28.59%	23.18%	16.55%

- (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) Gross Stage-3 Assets % (as per Ind AS) = Gross Stage-3 Assets/Gross loan assets
- (vii) 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)
- (viii) Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines
- (ix) Provision Coverage Ratio (PCR %) as per Ind AS Carrying amount of Impairment loss allowance for Stage-3 Assets/Gross Stage-3 Assets





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 to which this certificate relate	Exclusion Charge	Exclusion Charge	Particular Charge	Particular Charge	Particular Charge	Assets not offered as Security	Eliminated amount in negative	(Total C to H)	Related to only those items covered by this certificate					Total Value=(K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value		debt amount considered more than once (due to exclusive plus part passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable (For Eg. Bank Balance, DSR market value is not applicable)	Market Value for Part passu charge Assets	Carrying value/book value for part passu assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSR market value is not applicable)		
ASSETS												Relating to Column F			
Property, Plant and Equipment							1,541.52		1,541.52						
Capital Work-in-Progress															
Right of Use Assets							983.17		983.17						
Goodwill															
Intangible Assets							29.42		29.42						
Intangible Assets under Development															
Investments															



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