KANAKADURGA
FINANCE LIMITED
YOUR PROSPERITY, OUR PRIORITY.

To
BSE Limited,
Listing Department,
1st Floor, P.J. Towers,
Dalal Street, Mumbai- 400 001

Date:13.11.2021

Sub: Unaudited Financial Results for the Half year ended 30.09.2021U/R 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

The Board of Directors of the Company at their Meeting held today i.e. on Saturday, 13th February, 2021 2021, inter-alia, considered and approved the following:

1. Standalone Financial Results accompanied by limited review report issued by the statutory auditors as required under the Regulation 52 of SEBI LODR for the quarter and half year ended September 30, 2021.

In terms of SEBI LODR, we enclose herewith the following:

1.Standalone Financial Results for the quarter and half year ended September 30, 2021, accompanied by Limited Review Report issued by the Statutory Auditors.

2. Disclosures in accordance with Regulation 52 (4) of SEBI LODR for the quarter and half year ended September 30, 2021.

The Board Meeting commenced at 11.30 A.M.(IST) and concluded at 01.10 P.M.(IST)

We request you to kindly take the above on records and disseminate the same on your website.

Thank You
Yours sincerely,

For Kanakadurga Finance Limited

KANAKADURGA FINANCE LTD. VIJAYAWADA

B.N. Suvarchala
Company Secretary

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 30 September 2021

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

Rs. In lakhs

	Paticulars	Quarter ended		Half year ended		Year ended
		30.09.2021	30.06.2021	30.09.2021	30.09.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Revenue from operations					
i	Interest income	2,168.03	2,167.01	4,335.04	5,561.63	10,576.41
ii	Fees and commission income	208.81	133.91	342.72	145.74	641.46
(I)	Total revenue from operations	2,376.84	2,300.92	4,677.76	5,707.37	11217.88
(II)	Other income	3.50	3.21	6.71	38.79	21.03
(III)	Total income (I+II)	2,380.34	2,304.13	4,684.47	5,746.16	11238.91
	Expenses					
i	Finance costs	998.61	1,117.15	2,115.76	2,820.42	5,191.23
ii	Impairment on financial instruments	165.83	106.27	272.10	-	987.22
iii	Employee benefit expenses	590.24	532.96	1,123.20	1,024.76	2,100.90
iv	Depreciation and amortization	93.30	88.27	181.57	65.00	333.02
v	Other expenses	393.76	254.88	648.64	993.64	1,122.28
(IV)	Total expenses	2,241.74	2,099.53	4,341.27	4,903.82	9,734.66
(V)	Profit before tax (III-IV)	138.60	204.60	343.20	842.34	1,504.25
(VI)	Tax expense					
	(1) Current tax	43.23	47.50	90.73	135.02	315.00
	(2) Deferred tax		-	-	-	65.19
	Total tax expense	43.23	47.50	90.73	135.02	380.19
(VII)	Profit for the year (V-VI)	95.37	157.10	252.47	707.32	1,124.06
(VIII)	Other comprehensive income / (expenses)					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of the defined benefit plans	-	-		-	(9.73)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	
	Other comprehensive income/(expenses)	-	-	-	-	(9.73)
(IX)	Total comprehensive income for the year (VII+VIII)	95.37	157.10	252.47	707.32	1,114.33
(X)	Earnings per equity share#					
	Basic (Rs.)	0.63	1.03	1.66	4.65	7.39
	Diluted (Rs.)	0.63	1.03	1.66	4.65	7.39
	(Earnings per share for the interim period is not annualized.)					

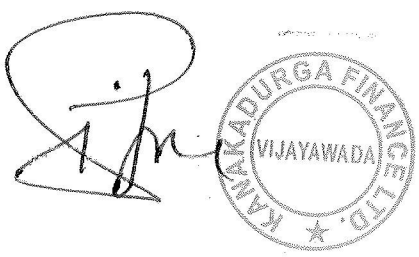
KANAKADURGA FINANCE LTD. VIJAYAWADA

KANAKADURGA FINANCE LIMITED

STATEMENT OF UNAUDITED ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2021

(Rs. in lakhs)

	Particulars	As at September 30, 2021	As at March 31, 2021
		Unaudited	Audited
	ASSETS		
1	**Financial Assets**		
a	Cash and cash equivalents	8,996.48	9,232.69
b	Bank balance other than cash and cash equivalents	1,184.21	1,149.91
c	Loans	33,644.69	34,654.74
d	Other financial assets	657.83	447.67
2	**Non-financial assets**		
a	Current tax assets (Net)	248.46	130.38
b	Deferred tax assets (Net)	37.57	37.57
c	Property, plant and equipment	1,522.66	1,520.85
d	Right to Use assets	552.99	642.10
e	Intangible assets	7.59	5.44
f	Other non-financial assets	96.09	120.94
	Total Assets	**46,948.57**	**47,942.29**
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
a	Debt securities	14,328.34	11,377.72
b	Borrowings (other than debt securities)	17,135.69	17,954.77
c	Subordinated liabilities	1,046.83	1,000.00
d	Other financial liabilities	3,589.80	7,097.33
2	**Non-financial liabilities**		
a	Provisions	37.29	37.29
b	Other non-financial liabilities	137.51	54.53
	Total liabilities (A)	**36,275.46**	**37,521.63**
3	**Equity**		
a	Equity share capital	1,521.72	1,521.72
b	Other equity	9,151.39	8,898.94
	Total equity (B)	**10,673.11**	**10,420.66**
	Total liabilities and Equity (A+B)	**46,948.57**	**47,942.29**



KANAKADURGA FINANCE LIMITED

Statement of cash flows for the half year ended Septemebr 30, 2021

(Currency : INR in lakhs)

Particulars	Half Year ended September 30, 2021	Year ended March 31, 2021
Cash flow from operating activities		
Profit / (Loss) before tax	343.20	1,504.25
Adjustments for:		
Depreciation and amortization expenses	85.62	125.85
Amortization expenses on Intangibles	6.84	13.69
(Gain)/ loss on sale of fixed assets	-	3.82
Impairment on financial instruments	(346.11)	113.64
Bad debts and Write offs	618.21	873.58
Finance cost Incurred	1,572.35	4,379.20
Interest income accrued	(414.86)	(414.86)
Provision for Gratuity	-	10.87
Operating Profit/(Loss) before working capital changes and adjustments for interest received, interest paid and dividend received	1,865.25	6,610.04
Changes in working capital		
Decrease/(Increase) in Loans	1,010.05	13,118.05
Decrease/(Increase) in other financial assets	(210.16)	49.04
Decrease/(Increase) in ROU Assets	89.11	165.35
Decrease/(Increase)in other non-financial assets	24.85	16.16
(Decrease)/Increase in other financial liabilities	(3,507.52)	(3,239.41)
(Decrease)/Increase in other non- financial liabilities	82.99	(23.13)
Cash used in operations before adjustments for interest received, interest paid and dividend received	(645.43)	16,696.10
Cash used in operations	(645.43)	16,696.10
Income tax paid (including TDS receivable & IT Refund)	(116.92)	(265.00)
Net cash flows from (used in) operating activities (A)	(762.35)	16,431.10
Cash flow from Investing activities		
Purchase of property, plant and equipment	(1.80)	(38.02)
Purchase of intangible assets	(8.99)	(0.26)
Proceeds from sale of property, plant and equipment	-	2.04
Net cash flow from / (Used in) investing activities (B)	(10.79)	(36.24)
Cash flow from Financing activities		
Debt securities issued (including Subordinated debt)	3,447.99	7,438.00
Debt securities repaid (including Subordinated debt)	(608.31)	(3,695.18)
Borrowings other than debt securities taken	7,118.42	6,343.40
Borrowings other than debt securities repaid	(7,364.19)	(16,600.49)
Finance Cost paid	(2,056.98)	(3,920.28)
Net cash flow from financing activities (C)	536.93	(10,434.55)
Net increase in cash and cash equivalents (A+B+C)	(236.21)	5,960.31
Cash and cash equivalents at the beginning of the year	9,232.69	3,272.38
Cash and cash equivalents at the end of the year	8,996.48	9,232.69
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash and cash equivalents	Septemeber 30, 2021	March 31, 2021
Balances with banks:		
On current accounts	8,224.02	8,589.52
Cash on hand	772.46	643.17
Total -	8,996.48	9,232.69

KANAKADURGA FINANCE LTD. VIJAYAWADA

Notes:

1. The above standalone financial results of Kanakadurga Finance Limited ("the Company") have been reviewed and recommended by the audit committee to the Board of Directors and the same has been approved at the meeting held on November 13, 2021.

2. The standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act) read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance / Clarifications/Directions issued by Reserve Bank of India or other regulators are implemented as and when they are issued / applicable.

3. In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of standalone financial results for the quarter and half year ended September 30, 2021 has been carried out by the Statutory Auditors of the Company.

4. Earnings per equity share for the quarter ended September 30, 2021 and June 30, 2021 and for half year ended September 30, 2021 and September 30, 2020 have not been annualized.

5. These standalone financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

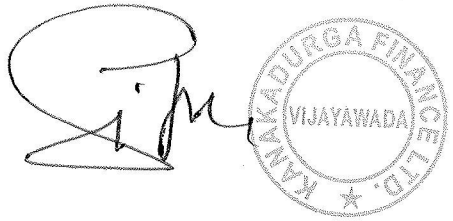
6. During the previous year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Baard of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020.

7. In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID19 -Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers. During the half year, the Company has provided loan moratorium in respect of certain loan accounts pursuant to RBI's Resolution Framework 2.0. dated May 5, 2021 for COVID-19 induced stress.

8. As at September 30, 2021, the Company holds adequate impairment allowance on the loan portfolio as per requirements of Ind AS 109.

9. Pursuant to SEBI circular dated October 5, 2021, the Company has elected an option to not present the figures for the corresponding quarter dated September 30, 2020in cash flow statement

10. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by Pari-passu charge on the Company's property (wherever applicable) and /or exclusive charge



on receivables under book debts to the minimum extent of 100% or such higher security as per the respective term sheets of the outstanding secured NCDs.

11. There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

12. The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's /year's classification / disclosure.

KANAKADURGA FINANCE LTD. VIJAYAWADA

For Kanakadurga Finance Limited

S.Jayaprakash Narayana Chowdary
Managing Director &CFO

Place: Vijayawada
Date:13.11.2021

Annexure II

Information as required by Reserve Bank of India Circular on Resolution framework for Covid-19 related stress dated August 06, 2020

Format A: For the quarter ended September 30, 2021

Type of Borrower	(A) Number of accounts where resolution plan has implemented under this window	(B) Exposure to accounts mentioned at (A) before implantation of the plan	(C) Of (B) aggregate amount of debt that was converted into other securities	(D) Addition funding sanctioned if any including between invocation of the plan and implementation	(E) Increase n provisions account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate Loans	-	-	-	-	-
Vehicle Loans	1084	17.60	-	-	1.71
Total	**1084**	**17.60**	**-**	**-**	**1.71**

Format B: For the Half year ended September 30, 2021

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution of 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 of during the half year	Of (A)amount paid by the borrower 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 Loans	-	-	-	-	-
Vehicle Loans	16.62	0.12	0.31	-	-
Total	**16.62**	**0.12**	**0.31**	**-**	**-**

Annexure-I

Disclosure in Compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 for the half year ended September 30, 2021

S No	*Particulars*	*Ratio/Amount*
1	Debt-equity ratio	*3.05*
2	Debt service coverage ratio	Not Applicable
3	Interest service coverage ratio	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Not Applicable
5	Capital redemption reserve/debenture redemption reserve	Not Applicable
6	Net worth (Excl. Revaluation Reserve)	*106.73 Cr*
7	Net profit after tax	*2.52 Cr*
8	Earnings per share Basic Diluted	 *1.66* *1.66*
9	*Current Ratio*	*2.79*
10	Long Term Debt to Working Capital	Not Applicable
11	Bad debts to Account receivable ratio	Not Applicable
12	Current liability Ratio	*0.32*
13	Total debts to total assets	*0.69*
14	Debtors turnover	Not Applicable
15	Inventory turnover	Not Applicable
16	Operating margin (%)	Not Applicable
17	Net profit margin (%)	*5.39%*
18	Sector specific equivalent ratios, as applicable a) Gross NPA b) Net NPA c) CRAR	 *4.98%* *3.62%* *30.11%*

Annexure II

Information as required by Reserve Bank of India Circular on Resolution framework for Covid-19 related stress dated August 06, 2020

Format A: For the quarter ended September 30, 2021

Type of Borrower	(A) Number of accounts where resolution plan has implemented under this window	(B) Exposure to accounts mentioned at (A) before implantation of the plan	(C) Of (B) aggregate amount of debt that was converted into other securities	(D) Addition funding sanctioned if any including between invocation of the plan and implementation	(E) Increase n provisions account of the implementation of the resolution plan
Personal loans	-	-	-	-	-
Corporate Loans	-	-	-	-	-
Vehicle Loans	1084	17.60	-	-	1.71
Total	**1084**	**17.60**	**-**	**-**	**1.71**

Format B: For the Half year ended September 30, 2021

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution of 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 of during the half year	Of (A)amount paid by the borrower 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 Loans	-	-	-	-	-
Vehicle Loans	16.62	0.12	0.31	-	-
Total	**16.62**	**0.12**	**0.31**	-	-

KANAKADURGA FINANCE LTD. VIJAYAWADA

Annexure III

Information as requested by Reserve Bank of India Circular on Resolution Framework -2.0: Resolution of Covid- 19 related stress of Individuals and Small Business dated May 05, 2021

Format X: For the quarter ended September 30, 2021

Sl No	Description	Individual Borrowers		Small Business
		Personal Loans	Vehicle loans	
A	Number of requests received for invoking resolution process under Part A	-	1084	-
B	Number of accounts where resolution plan has been implemented under this window	-	1084	-
C	Exposure to accounts mentioned at (B) before implementation of the plan	-	17.60	-
D	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
E	Additional funding sanctioned, if any, including between 7 invocation of the plan and implementation	-	-	-
F	Increase in provisions on account of the implementation of the resolution plan	-	1.71	-

Related party Transactions for the period ended September 30, 2021

Sl No	Particulars	Nature of Transaction	For the half year ended 30.09.2021 Rs. In Lakhs
1	Key Management	Remuneration to KMP	105.09
		Rent Paid	37.92
2	Relatives to Key Management	Subordinated Debt received	40.00

For Kanakadurga Finance Limited

KANAKADURGA FINANCE LTD. VIJAYAWADA

Place: Vijayawada
Date: 13.11.2021

S.Jayaprakash Narayana Chowdary
Managing Director &CFO

Independent Auditor's Review Report on Unaudited half year 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, 2021 and year to-date results for the period April 01, 2021 to September 30, 2021 ('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.

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.

5. The Statement of the NBFC for the year ended March 31, 2021, was audited by another auditor whose report dated July 29, 2021 expressed an unmodified opinion on those Statements.

   Our conclusion is not modified in respect of this matter.

For JHS and Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 133288W / W100099:
MCA No. AAE 6757

Taher.A.Pepermintwala
Partner
Membership No.:135507
UDIN: 21135507AAAADG3979

Place: Mumbai
Date: November 13, 2021