



KANAKADURGA
FINANCE LIMITED
YOUR PROSPERITY. OUR PRIORITY

Date: 14.11.2024

BSE Limited
P J Towers
Dalal Street
Mumbai-40001

Dear Sir/ Madam,

Sub: Outcome of Board Meeting held on November 14, 2024

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")

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., Thursday, November 14, 2024, have inter-alia considered and approved the unaudited financial results for the quarter and half year ended September 30, 2024.

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

- Un Audited Financial Results of the Company for the quarter and half year ended September 30, 2024 together with the Limited Review Report of the Statutory Auditors' thereon;
- Disclosure pursuant to Regulation 52 (4) and other applicable regulations, if any of SEBI Listing Regulations;
- 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 NARAYANA CHOWDARY
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S. Jayaprakash Narayana Chowdary

Managing Director

DIN-00538246

Shridhar & Associates

Chartered Accountants

Independent Auditor's Review Report on unaudited financial results of the Kanakadurga Finance Limited for the quarter ended September 30, 2024 and year to date results for the period April 01, 2024 to September 30, 2024 pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors
KANAKADURGA FINANCE LIMITED

Introduction

1. We have reviewed the accompanying statement of unaudited financial results of **Kanakadurga Finance Limited** ('the Company') for the quarter ended September 30, 2024 and the year to date results for the period April 01, 2024 to September 30, 2024 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), which has been digitally signed by us for identification purpose.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared 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 circular, guidelines and directives issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other recognized accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. 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 specified under Section 143(10) of the Act 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.

Conclusion

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement 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 and other recognized accounting principles generally accepted in India and RBI guidelines has not disclosed the information required to be disclosed in terms of the Regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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.

Shridhar & Associates

Chartered Accountants

Other matter

5. The Statements for the quarter/ period ended September 30, 2023 and June 30, 2024 was reviewed by another auditor whose reports dated November 14, 2023 and August 12, 2024 expressed an unmodified opinion on those Statements. Further the Statement of the Company for the year ended March 31, 2024 was audited by another auditor whose report dated May 27, 2024 expressed an unmodified opinion on that Statement.

Our conclusion is not modified in respect of this matter.

For Shridhar and Associates
Chartered Accountants
ICAI Firm Registration No. 134427W

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Abhishek Pachlangia
Partner
Membership No.: 120593
UDIN: 24120593BKCAVQ9238
Place: Vijayawada
Date: November 14, 2024

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 2024

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

Particulars	As at September 30, 2024	As at March 31, 2024
	(Unaudited)	(Audited)
ASSETS		
1 Financial Assets		
a Cash and cash equivalents	15,733.00	10,105.99
b Bank balance other than cash and cash equivalents	2.39	2.30
c Loans	54,297.62	51,034.18
d Other financial assets	1,418.00	1,070.12
2 Non-financial assets		
a Current tax assets (net)	-	7.18
b Deferred tax assets (net)	-	-
c Property, plant and equipment	1,496.94	1,526.81
d Right to use assets	924.60	912.28
e Other Intangible assets	24.08	24.49
f Other non-financial assets	257.85	217.25
Total Assets	74,154.48	64,900.60
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial liabilities		
a Debt securities	6,884.34	6,645.33
b Borrowings (other than debt securities)	51,793.91	42,677.26
c Subordinated liabilities	30.00	1,000.00
d Other financial liabilities	2,862.23	2,526.21
2 Non-financial liabilities		
a Current tax liabilities (net)	44.43	-
b Provisions	28.53	20.21
c Deferred tax liabilities (net)	40.60	53.68
d Other non-financial liabilities	89.65	102.88
Total liabilities (A)	61,773.69	53,025.57
3 Equity		
a Equity share capital	1,521.72	1,521.72
b Other equity	10,859.07	10,353.31
Total equity (B)	12,380.79	11,875.03
Total liabilities and Equity (A+B)	74,154.48	64,900.60

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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 2024

(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 2024	30 June 2024	30 september 2023	30 september 2024	30 september 2023	31 March 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations						
i	Interest income	3,284.29	3,005.79	2,851.40	6,290.08	5,385.81	10,941.76
ii	Fees and commission income	437.32	404.82	480.86	842.14	914.66	1,694.30
(I)	Total revenue from operations	3,721.61	3,410.61	3,332.26	7,132.22	6,300.47	12,636.06
(II)	Other income	7.93	6.62	10.16	14.55	21.79	50.54
(III)	Total income (I+II)	3,729.54	3,417.23	3,342.42	7,146.77	6,322.26	12,686.60
	Expenses						
i	Finance costs	1,812.48	1,636.55	1,469.09	3,449.03	2,947.02	5,979.08
ii	Impairment on financial instruments	220.94	163.46	247.59	384.40	397.37	742.16
iii	Employee benefit expenses	804.80	763.08	725.82	1,567.88	1,422.54	3,019.30
iv	Depreciation and amortization	116.65	113.87	113.53	230.52	227.36	454.37
v	Other expenses	414.28	428.92	380.01	843.20	737.25	1,525.96
(IV)	Total expenses	3,369.15	3,105.88	2,936.04	6,475.03	5,731.54	11,720.87
(V)	Profit before tax (III-IV)	360.39	311.35	406.38	671.74	590.72	965.73
(VI)	Tax expense						
	(1) Current tax	98.33	82.40	120.43	180.73	168.98	265.94
	(2) Deferred tax	(9.25)	(3.84)	(16.87)	(13.09)	(21.87)	(10.53)
	Total tax expense	89.08	78.56	103.56	167.64	147.11	255.41
(VII)	Profit for the period/year (V-VI)	271.31	232.79	302.82	504.10	443.61	710.32
(VIII)	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	1.67	-	-	1.67	-	6.68
	- Income tax relating to items that will not be reclassified to profit or loss	(0.42)	-	-	(0.42)	-	-
	Other comprehensive income/loss for the period/year	1.25	-	-	1.25	-	6.68
(IX)	Total comprehensive income for the period/year (VII+VIII)	272.56	232.79	302.82	505.35	443.61	717.00
(X)	Paid up equity share capital (Face Value of Rs.10 each)	1,521.72	1,521.72	1,521.72	1,521.72	1,521.72	1,521.72
(XI)	Reserves excluding revaluation reserves						10,353.30
(XII)	Earnings per equity share#						
	Basic (Rs.)	1.78	1.53	1.99	3.31	2.92	4.67
	Diluted (Rs.)	1.78	1.53	1.99	3.31	2.92	4.67
	(Earnings per share for the interim period is not annualized.)						

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KANAKADURGA FINANCE LIMITED
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54-9-23, 100 FEET ROAD, AUTONAGAR, VIJAYAWADA, ANDHRA PRADESH-520007
Statement of cash flows for the Half year ended September 30, 2024
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Half year ended September 30, 2024	Half year ended September 30, 2023
Cash flow from operating activities		
Profit / (Loss) before tax	671.74	590.72
Adjustments for:		
Depreciation and amortization expenses	51.71	57.57
Amortization expenses on Intangibles	8.51	7.32
Depreciation on ROUA assets	170.29	162.47
(Gain)/ loss on sale of fixed assets	0.01	0.60
Impairment on financial instruments	45.00	90.48
Bad debts and Write offs	339.40	306.88
Finance cost Incurred	3,449.03	2,947.02
Finance Cost paid	(3,361.31)	(2,417.71)
Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received	1,374.38	1,745.38
Changes in working capital		
Decrease/(Increase) in Loans	(3,263.45)	(913.66)
Decrease/(Increase) in other financial assets	(347.89)	(174.60)
Decrease/(Increase) in other non-financial assets	(40.60)	(3.41)
(Decrease)/Increase in other financial liabilities	336.03	651.57
(Decrease)/Increase in other non- financial liabilities	29.72	(17.00)
Cash generated/(used) in operations before adjustments for interest received, interest paid and dividend received	(1,911.81)	1,288.28
Cash generated/(used) in operations	(1,911.81)	1,288.28
Income tax paid (including TDS receivable & IT Refund)	(117.82)	(49.22)
Net cash flows from (used in) operating activities (A)	(2,029.63)	1,239.06
Cash flow from Investing activities		
Purchase of property, plant and equipment	(21.86)	(36.23)
Purchase of intangible assets	(8.11)	(3.36)
Proceeds from sale of property, plant and equipment	0.05	8.45
Net cash flow from / (Used in) investing activities (B)	(29.92)	(31.14)
Cash flow from Financing activities		
Debt securities issued (including Subordinated debt)	4,871.85	1,979.35
Debt securities repaid (including Subordinated debt)	(5,602.84)	(9,717.45)
Borrowings other than debt securities taken	25,446.49	17,376.45
Borrowings other than debt securities repaid	(17,029.03)	(10,079.90)
Bank balance other than cash and cash equivalents	0.09	242.75
Net cash flow from /(used in) financing activities (C)	7,686.56	(198.80)
Net increase in cash and cash equivalents (A+B+C)	5,627.01	1,009.09
Cash and cash equivalents at the beginning of the year	10,105.99	10,875.27
Cash and cash equivalents at the end of the year	15,733.00	11,884.37

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash and cash equivalents	September 30, 2024	September 30, 2023
Balances with banks:		
On current accounts	13,373.05	10,230.45
Cash on hand	2,359.95	1,653.92
Total	15,733.00	11,884.37

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Notes:

1. The financial results have been reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 14th November 2024 .The statutory auditors have expressed an unmodified report on these results.
2. The financial results of Kanakadurga Finance Limited ("the Company") for the period ended September 30, 2024 have been prepared in accordance with Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
3. Previous period figures have been regrouped /reclassified wherever necessary to confirm to current period presentation.
4. The Company is engaged primarily in the business of vehicle and gold loan financing activities and accordingly there are no separate reportable segments as per IND AS dealing with Operating Segment (Ind AS-108). The Company operates in a single geographical segment i.e. Domestic.
5. 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 (not in default) during the period ended September 30, 2024.

Particulars	To Banks	To Others
No of loans sold	NIL	3,869
Aggregate amount (INR in Lakhs)	NIL	7,208.13
Sale consideration (INR in Lakhs)	NIL	6,487.32
Number of transactions	NIL	2
Weighted average maturity in months (remaining)	NIL	22.68
Weighted average holding period in months (after origination)	NIL	7.57
Retention of beneficial economic interest (average)	NIL	10%
Coverage of tangible security coverage	NIL	100.00%
Number of loans transferred/loans replaced	NIL	NA

- b) The company has not transferred/acquired any stressed loans during the period ended September 30, 2024.
6. The Company's existing definition of default i.e. Days Past Due approach is in line with the RBI circular dated 12 November 2021 read with circular dated 15 February 2022. Accordingly, the same does not have any impact on the financial results for the period ended September 30, 2024 as the Company continues to prepare the financial results in accordance with the applicable IND-AS guidelines and the RBI Circular dated 13 March 2020.
 7. Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all rated, listed, secured, redeemable, Non-Convertible Debentures ("Secured NCDs") issued by the Company and outstanding as on 30 September 2024 are fully secured by way of a first charge over the identified "business assets" i.e. securities / receivables of the Company. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum. The details for security cover as per format prescribed by the SEBI vide circular dated 19 May 2022 is enclosed. (refer "Annexure I")
 8. The above audited financial results are to be filed with BSE limited under Regulation 52 of the SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.
 9. The above audited financial results of the Company will be available on our website www.kanakadurgafinance.com

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Disclosure in Compliance with Regulations 52(4) of the SEBI (LODR) Regulations, 2015

S No	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt equity ratio	4.74	4.23	4.06	4.74	4.06	4.24
2	Debt Service Coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest coverage ratio	1.27	1.27	1.28	1.27	1.28	1.24
4	Outstanding redeemable preference shares	NA	NA	NA	NA	NA	NA
5	Capital Redemption reserve/debenture redemption reserve	NA	NA	NA	NA	NA	NA
6	Net worth (Excl Revaluation reserve)	12,380.79	12,107.80	11,601.61	12,380.79	11,601.61	11,875.03
7	Net profit after tax	271.31	232.79	302.82	504.10	443.60	710.32
8	Basic /Diluted EPS	1.78	1.53	1.99	3.31	2.92	4.67
9	Current Ratio	1.27	1.35	1.28	1.27	1.28	1.25
10	Long Term Debt to Working Capital	NA	NA	3.85	NA	3.85	NA
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	79.17%	77.48%	79.52%	79.17%	79.52%	77.54%
14	Debtors turnover	NA	NA	NA	NA	NA	NA
15	Inventory turnover	NA	NA	NA	NA	NA	NA
16	Liquidity coverage ratio	315.28%	310.72%	NA	315.28%	NA	239.03%
17	Operating margin(%)	NA	NA	NA	NA	NA	NA
18	Net profit margin (%) [Net Interest Income/Total Income]	39.46%	40.51%	9.07%	39.75%	9.34%	39.06%
	Sector specific equivalent ratios as applicable						
19	(i) Gross NPA	3.37%	3.55%	3.96%	3.37%	3.96%	3.46%
	(ii) Net NPA	2.60%	2.78%	3.23%	2.60%	3.23%	2.94%
	(iii) Capital Adequacy Ratio (CRAR)	21.25%	21.99%	24.18%	21.25%	24.18%	21.74%

The figures/ratios which are not applicable to the company, being an NBFC, are marked as "NA".

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