



KANAKADURGA
FINANCE LIMITED
YOUR PROSPERITY. OUR PRIORITY

Date: 12.02.2024

To
BSE Limited
P J Towers
Dalal Street
Mumbai-40001

Dear Sir/ Madam,

Sub: Outcome of Board Meeting held on February 12, 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")

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., Monday, February 12, 2024, have inter-alia considered and approved the unaudited financial results for the quarter ended December 31, 2023.

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

- g) Un Audited Financial Results of the Company for the quarter ended Dec 31, 2023 together with the Limited Review Report of the Statutory Auditors' thereon;
- h) Disclosure pursuant to Regulation 52 (4) and other applicable regulations, if any of SEBI Listing Regulations;
- i) 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
CHOWDARY SANDIREDDY

Digitally signed by JAYAPRAKASH
NARAYANA CHOWDARY SANDIREDDY
Date: 2024.02.12 18:51:07 +05'30'

S. Jayaprakash Narayana Chowdary

Managing Director

DIN-00538246

Registered Office Address : 54-9-23, 100 Feet Road, Autonagar, Vijayawada, A.P - 520 007 .

Website : www.kanakadurgafinance.com E-mail ID : cs@kanakadurgafinance.com

CIN : U65921AP1994PLCO18605

Ph : 0866-6789901

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 quarter ended December 31, 2023 and year to-date results for the period April 01, 2023 to December 31, 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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Suite 2, 2nd Floor,
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Above Mcdonald's, Near Manisha
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Savitri Cinema Complex,
Greater Kailash - II,
New Delhi 110048
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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: 24177200BKFGSR3615



Place: Mumbai

Date: February 12, 2023

KANAKADURGA FINANCE LIMITED
[CIN: U65921AP1994PLC018809]

54-9-2, 10 FEET ROAD, AUTONAGAR, VIJAYAWADA, ANDHRA PRADESH-520007

Statement of unaudited financial results for the quarter and Nine months ended 31st December 2023
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	31 December 2023 (Unaudited)	30 September 2023 (Unaudited)	31 December 2022 (Unaudited)	31 December 2023 (Unaudited)	31 December 2022 (Unaudited)	31 March 2023 (Audited)
Revenue from operations						
i) Interest income	2,612.92	2,851.40	3,053.49	7,998.73	7,998.11	10,581.47
ii) Fees and commission income	401.04	480.86	210.10	1,315.70	678.83	1,174.88
(i) Total revenue from operations	3,013.96	3,332.26	3,263.59	9,314.43	8,674.94	11,756.35
(ii) Other income	9.48	10.16	21.73	31.26	40.27	45.12
(iii) Total income (i+ii)	3,023.44	3,342.42	3,285.32	9,345.69	8,715.21	11,801.47
Expenses						
i) Finance costs	1,474.84	1,469.09	1,588.51	4,421.87	4,005.19	5,556.24
ii) Impairment on financial instruments	165.38	247.59	174.37	592.75	765.70	839.07
iii) Employee benefit expenses	817.24	725.82	847.55	2,239.78	2,323.40	2,933.69
iv) Depreciation and amortization	113.69	113.53	97.64	341.04	312.77	354.02
v) Other expenses	397.95	380.01	449.35	1,135.20	1,102.93	1,574.00
Total expenses	2,969.09	2,936.04	3,152.42	8,700.64	8,609.99	11,276.92
(v) Profit before tax (iii-iv)	54.35	406.38	132.90	645.05	205.22	524.55
(vi) Tax expense						
(1) Current tax	20.41	120.43	33.44	189.39	51.63	117.10
(2) Deferred tax	(2.60)	(16.87)	-	(24.47)	-	37.78
Total tax expense	17.81	103.56	33.44	164.92	51.63	154.88
(vii) Profit for the year (v-vi)	36.54	302.82	99.46	480.13	153.59	369.67
(viii) Other comprehensive income / (expense) / Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	3.91	-	-	3.91	-	26.34
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Other comprehensive income/(expense) (vii+ix)	3.91	-	-	3.91	-	26.34
(ix) Total comprehensive income for the year (vii+ix)	40.45	302.82	99.46	484.04	153.59	396.01
(x) Earnings per equity share#						
Basic (Rs.)	0.24	1.99	0.65	3.16	1.01	2.43
Diluted (Rs.)	0.24	1.99	0.65	3.16	1.01	2.43
(# Earnings per share for the interim periods are not annualized)						



Notes:

1. The financial results have 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 financial results have been reviewed by the Audit Committee at their meeting held and approved by the Board of Directors at their meeting held on February 12, 2024, 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 Nine months ended 31st December 2023.

Particulars	Transferred
Aggregate amount of loans transferred/acquired (Rs. In lakhs)	6,243.10
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 31 December 2023.



Appendix-1

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

S No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt equity ratio (Note-ii)	3.99	4.06	4.43	3.99	4.43	4.13
2	Debt Service Coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest coverage ratio	1.23	1.28	1.05	1.23	1.05	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)	11,642.06	11,601.61	10,915.58	11,642.06	10915.58	111,58.02
7	Net profit (loss) after tax	40.45	302.82	99.47	484.04	153.58	216.10
8	Basic /Diluted EPS	0.24	1.99	0.65	3.16	1.01	1.42
9	Current Ratio	1.26	1.28	1.24	1.26	1.24	1.27
10	Long Term Debt to Working Capital	4.58	3.85	4.16	4.58	4.16	
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)	77.88%	79.52%	79.56%	77.88%	79.56%	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)	1.34%	9.06%	3.03%	5.19%	1.76%	3.13%
18	Sector specific equivalent ratios as applicable						
	(i) Gross Stage-3 assets % (Note-vi)	3.07%	3.96%	3.30%	3.07%	3.30%	3.81%
	(ii) Net Stage-3 assets % (Note-vii)	2.39%	3.23%	2.56%	2.39%	2.56%	2.89%
	(iii) Capital Adequacy Ratio (CRAR)	22.85%	24.18%	23.47%	22.85%	23.47%	23.97%
	(iv) Provision Coverage Ratio for Stage-3 assets PCR % (Note-ix)	22.68%	28.59%	23.23%	22.68%	23.23%	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



Annexure I Security Cover

Kanakadurga Finance Limited

Registered Office: 54-9-23, 100 Feet Road, Autonagar, Vijayawada-520007

CIN-U65921AP1994PLC018605

Statement of Security Cover as at 30th September 2023. Pursuant to requirement of regulation 54(3) read with regulation 56 (1)(d) of SEBI (Listing Obligation and disclosure requirement) Regulation, 2015

Column A	Column B	Column C	Column D	Column E	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which the certificate relate	Exclusive Charge	Exclusive Charge	Part-Passu Charge	Part-Passu Charge	Part-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by the certificate				Total Value (K+L+M+N)
		Book Value	Book Value	Year Issued	with part-passu charge) Book Value	in column F)		debt amount considered more than once (due to exclusivoplus part passu charge)		Carrying/book value for exclusive charge assets where market value is not ascertainable	Market Value for Part passu charge Assets VIII	Carrying value/book value for part passu-charge where market value is not ascertainable (For Eg. Bank Balance, DSR market value is not applicable)		
ASSETS														
Property, Plant and Equipment		-	-	-	-	-	1,552.47	-	1,552.47	-	-	-	-	
Capital Work-in-progress		-	-	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	-	-	-	932.79	-	932.79	-	-	-	-	
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	26.54	-	26.54	-	-	-	-	
Intangible assets under development		-	-	-	-	-	-	-	-	-	-	-	-	
Investments		-	-	-	-	-	-	-	-	-	-	-	-	



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Annexure I Security Cover

Loans		7,633.98	39,188.07				2,112.61		48,934.66		7,633.98				7,633.98
Inventories															
Trade Receivables							103.41		103.41						
Cash and Cash Equivalents							8,381.79		8,381.79						
Bank Balances other than Cash and Cash Equivalents							2.28		2.28						
Others							1,099.69		1,099.69						
Total		7,633.98	39,188.07				14,211.58		61,033.63		7,633.98				7,633.98
LIABILITY															
Debt securities to which this certificate pertains		6,686.88							6,686.88		6,686.88				6,686.88
Other debt sharing pari-passu charge with above debt															
Other Debt															
Subordinated debt							1,001.03		1,001.03						
Borrowings															
Bank	Term loans from banks						10,941.79		10,941.79						
Debt Securities															
Others	Term loans from other parties and loans repayable on demand								27,767.63						27,767.63
Trade payables															



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Annexure I Security Cover

Lease Liabilities					1,125.33			1,125.33									
Provisions					582.89			582.89									
Others					1,286.02			1,286.02									
Total			6,686.88		3,995.27			49,391.57									6,686.88
Cover on Book Value			1.14														1.14
Cover on Market Value ^{ix}																	
		Exclusive Security Cover Ratio															
		Part-Passu Security Cover Ratio															

- ⁱ This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- ⁱⁱ This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.
- ⁱⁱⁱ This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.
- ^{iv} This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.
- ^v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.
- ^{vi} This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.
- ^{vii} In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.
- ^{viii} Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.
- ^{ix} The market value shall be calculated as per the total value of assets mentioned

