



KERALA FINANCIAL CORPORATION

HO: VELLAYAMBALAM, THIRUVANANTHAPURAM - 695 033

Phone : 0471- 2315891, 2737566

e-mail : mdoffice@kfc.org website : www.kfc.org



KFC/F&A/BOND/2024-25

29.05.2024

The Manager
BSE Limited
P J Towers,
Dalal Street,
Mumbai -400001

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the financial year ended 31st March, 2024

Please find enclosed herewith Annual Secretarial Compliance Report of the Company issued by M/s. K. Narayana Swamy & Co. , Practicing Company Secretaries, Bangalore for Financial Year ended March 31, 2024, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Request you to kindly take the same on your record.

Thanking you.

**Yours Faithfully,
For Kerala Financial Corporation**




Company Secretary & Compliance Officer

**Secretarial Compliance Report of Kerala Financial Corporation
for the financial year ended March 31, 2024**

(Pursuant to Regulation 24A (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Kerala Financial Corporation,
HO: Vellayambalam,
Thiruvananthapuram - 695 033,
Kerala.

I have examined:

- (a) all the documents and records made available to me and explanation provided by **Kerala Financial Corporation - Pan No. AABCK1316M** ("KFC or the Listed Entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this Report,

for the financial year ended March 31, 2024 (Review Period) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the SEBI (*Not Applicable*);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (LODR)) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not Applicable*)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not Applicable*)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not Applicable*)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (*Not Applicable*)
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996 to the extent applicable;
- (i) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 to the extent applicable;
- (k) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company) to the extent applicable;

K. Narayana Swamy & Co
Company Secretaries



- (l) State Financial Corporations Act, 1951;
(m) KFC General Regulations, 2003; &
(o) Other Regulations as applicable and circulars/ guidelines issued thereunder.

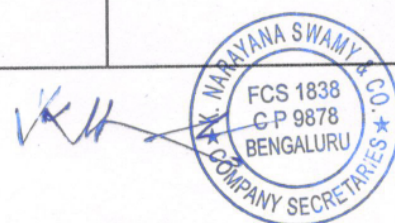
Based on the above examination, I hereby report that during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount Rs.	Observations / Remarks of the Practicing Company Secretary (PCS)	Management Response	Remarks
1	Appointment of Company Secretary as Compliance Officer	Regulation 6(1)	Non-compliance	BSE	Fine	Delay in the appointment of Company Secretary	3,03,260	Complied with	Company Secretary appointed w.e.f 14.12.2023.	Appeal made for waiver of fine.
2	Intimation regarding Board Meeting date	Regulation 50(1)	Delay	BSE	Fine	Delay in intimation	5,900	Hencforth complied with. System in place.	There was a sudden change in the Board Meeting date	Appeal made for waiver of fine.
3	Intimation regarding Record Date	Regulation 60(2)	Delay	BSE	Fine	Delay in intimation	11,800	Hencforth complied with. System in place.	Administrative reasons	Appeal made for waiver of fine.
4	Asset Cover	Regulation 54 (2)	Delay	BSE	Fine	Delay in intimation	3,540	Hencforth complied with. System in place.	Administrative reasons	Appeal made for waiver of fine.

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

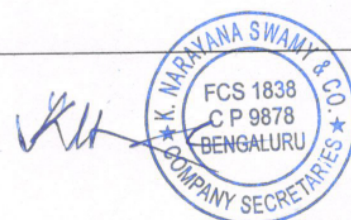
Sl. No.	Observations / Remarks of the Practicing Company Secretary in the previous reports (ASCR filed only from the FY ended 31.3.2023 onwards)	Observations made in the Secretarial Compliance Report for the year ended 31.3.2023	Compliance Requirement (Regulations / Circulars / guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	Non-appointment of of Company Secretary as the Compliance Officer - It is being complied with.	Non-appointment of of Company Secretary as the Compliance Officer - It is being complied with.	Regulation 6(1)	Penalty imposed by BSE - Rs.2,14,760/-	Appeal made for waiver of fine.	Company Secretary appointed on 14.12.2023. However, appeal made for waiver of fine for the delay in the appointment of Company Secretary is still pending.
2	Delay in the appointment of Share Transfer Agent. Already complied.	Delay in the appointment of Share Transfer Agent. Already complied.	Regulation 7(1)	Penalty imposed by BSE - Rs.2,14,760/-	Appeal made for waiver of fine.	RTA was appointed on 4.8.2022. However, appeal made for waiver of fine for the delay in the appointment of RTA is still pending.
3	Submission of Annual Financial Results - It is being complied.	Submission of Annual Financial Results - It is being complied.	Regulation 52(2)(d)	Penalty imposed by BSE - Rs.1,65,200/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.



4	Intimation regarding dispatch of AGM Notice	Intimation regarding dispatch of AGM Notice	Regulation 50(2)	Penalty imposed by BSE - Rs.5,900/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.
5	Submission of Annual Report on the date dispatch to Shareholders	Submission of Annual Report on the date dispatch to Shareholders	Regulation 53(2)	Penalty imposed by BSE - Rs. 3,06,800/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.

I hereby report that during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes /No /NA)	Observations/Remarks by PCS
1.	Secretarial Standards: The Compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	<i>KFC is not able to fully comply with Secretarial Standards/ Guidelines issued by Institute of Company Secretaries of India (ICSI) with specific reference to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) since the Corporation was not having a qualified Company Secretary till 13th December, 2023. However, with the appointment of a Qualified Company Secretary as the Compliance Officer w.e.f.14.12.2023, the said Compliances are expected to be in tune with ICSI Guidelines.</i>
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulators and have been reviewed & updated on time, as per the regulations/circular/guidelines issued by SEBI. 	Yes	<i>SEBI has extended the timeline till 31st March, 2025 for HDVLEs regarding mandatory applicability of listing norms, i.e., Reg.16 to 27 of SEBI (LODR), Regulations, 2015.</i> <i>However, some of the Policies are under implementation.</i>
3.	Maintenance and disclosure on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents / information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website. 	Yes	
4.	Disqualification of Director: None of the Director(s) of the company is/are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	<i>There are no Material Subsidiary Companies under the Corporation. Therefore, doesn't arise.</i>
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	No	<i>However, the Listed Entity is following a well established Internal Policy for preservation and maintenance of documents and records. Action is being taken to follow the Policy prescribed under SEBI.</i>
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	No	<i>SEBI has extended the timeline till 31st March, 2025 for HDVLEs regarding mandatory applicability of listing norms, i.e., Reg.16 to 27 of SEBI (LODR), Regulations, 2015.</i>



8.	Related Party Transactions: (a). The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NA	<i>There were no Related Party Transactions during the period under review. Therefore, doesn't arise.</i>
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	NA	<i>KFC has listed its non-convertible debt securities (Bonds) with BSE and has no "specified securities" (equity shares and convertible securities) listed in any Stock Exchange as defined under Sec.2(1)(zl) of SEBI (LODR) Regulations, 2015. However, the policy on PIT is being framed and the same will be approved by the Board and implemented soon.</i>
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity / its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except as provided under separate paragraph herein.	Yes	<i>No action taken by SEBI against KFC. However, BSE has taken certain actions for "non-compliance" as per details given in (a) & (b) above (pages 2 & 3 above).</i>
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	N.A.	<i>There is no change in statutory auditors. Therefore, doesn't arise.</i>
13.	Additional Non-Compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No	<i>As on date, there are some outstanding dividend amount lying with KFC for want of required details of the Shareholders. Presently, companies having valid CIN can only transfer the unclaimed amount to the Investor Education and Protection Fund (IEPF). Since KFC is not a company incorporated under the Companies Act and as it does not have CIN, KFC is not in a position to transfer the unclaimed dividend amount to the IEPF. Hence, KFC proposes to open an exclusive escrow account in a Nationalised Bank for this purpose and deposit all such amounts into this escrow account. KFC will transfer the said amount along with interest earned thereon to the Shareholders concerned once the issue is sorted out by SEBI/BSE.</i>



NOTE:

KFC has made representations vide its letters dt. 30.1.2023; 20.2.2023, 15.3.2023 & 13.5.2024 requesting SEBI/BSE to grant exemption from complying with Reg.17(1C), Reg.17(4), Reg.17(10), Reg.17A, Reg.25 & Reg.26 of Chapter IV (Corporate Governance) of SEBI (LODR) Regulations, 2015.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.



(K. Narayana Swamy)
Company Secretary in Practice
FCS No. 1838 / CP No. 9878
Peer Review Cert. No.1744/2022

UDIN NO. F001838F000473056

Place : Bengaluru

Date : 28th May, 2024