

ANNUAL REPORT

2023-24





CELEBRATING

71st

YEAR OF
INCORPORATION

◆ —◆

INCORPORATED ON 01.12.1953

◆ —◆





ANNUAL REPORT

2023-24



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Government of Kerala

Pinarayi Vijayan
CHIEF MINISTER

No. 526/Press/CMO/24 22

22 June, 2024.

MESSAGE

I am glad to note that the Kerala Financial Corporation's Annual Report 2024 is being published.

It is heartening that the KFC has achieved its best ever performance in the previous financial year by increasing its net profit to Rs. 74.04 crore. The loan portfolio has exceeded Rs. 7,000 crore with a low gross NPA of 2.88%.

It is worth mentioning that special schemes such as the Chief Minister's Entrepreneurship Development Programme and initiatives for Startups have enabled KFC to reach a wider section of the people. I am sure that KFC will continue to support MSMEs and Startups and achieve even greater success in the future. My best wishes to KFC and its customers.

Pinarayi Vijayan

FINANCIAL YEAR

2023-24

BEST-EVER PERFORMANCE

Net Profit

₹ 74.04
CRORE

Loan Portfolio

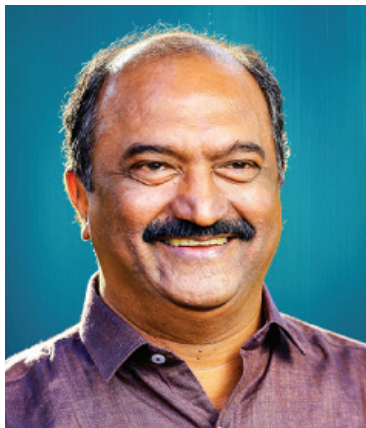
₹ 7368
CRORE

Net NPA
0.68%

Capital Adequacy Ratio
25.52%

Net Worth

₹ 1064
CRORE



Government of Kerala

K. N. BALAGOPAL

MINISTER FOR FINANCE

410/2024/M-Fin

Date: 17.07.2024

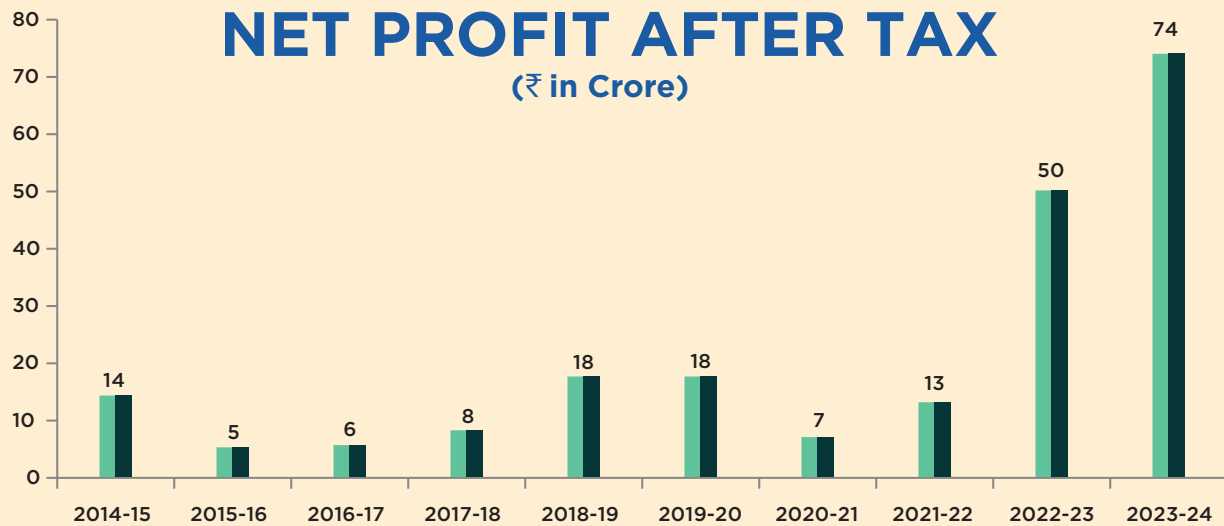
MESSAGE

I am happy to learn that Kerala Financial Corporation has performed well during the 2023-24 financial year. Compared to the previous year, the net profit after tax has increased by a substantial 47.54%. The loan portfolio growth of KFC is increased by 12.85%. With a 100 crore infusion of share capital by the State government, the Capital Adequacy Ratio (CRAR) of KFC has been maintained at 25.52%. Government-supported schemes like CMEDP Loans, Agro MSME Loans, and Startup Loans will improve the credit flow to the MSME sector. I extend my warm wishes to KFC and its stakeholders on this occasion.

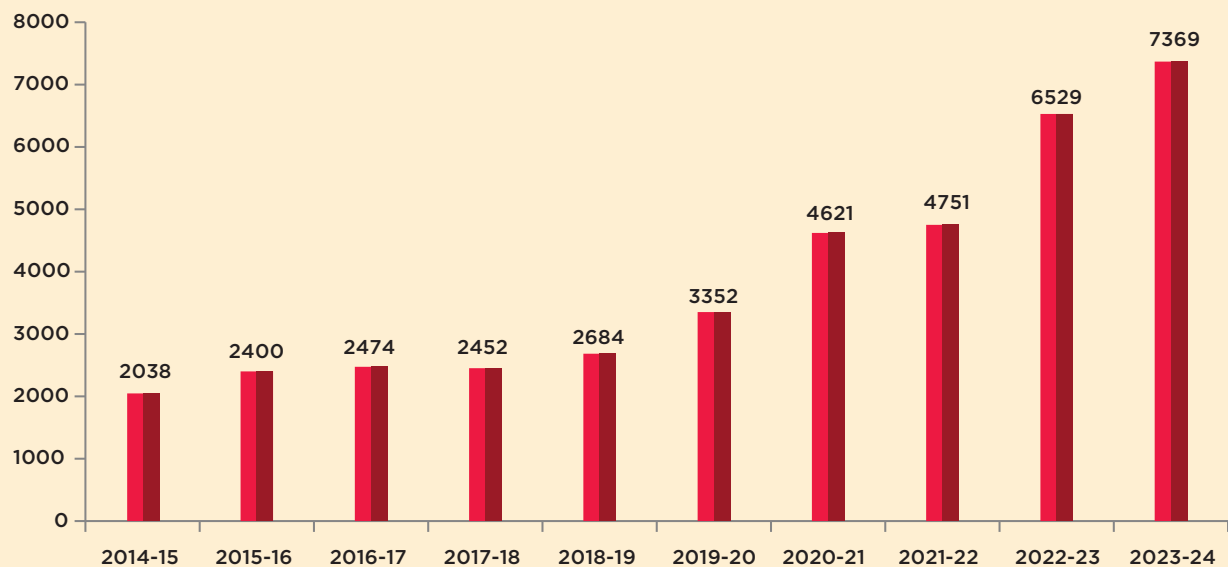
K.N BALAGOPAL

Performance Highlights 2023-24

NET PROFIT AFTER TAX (₹ in Crore)

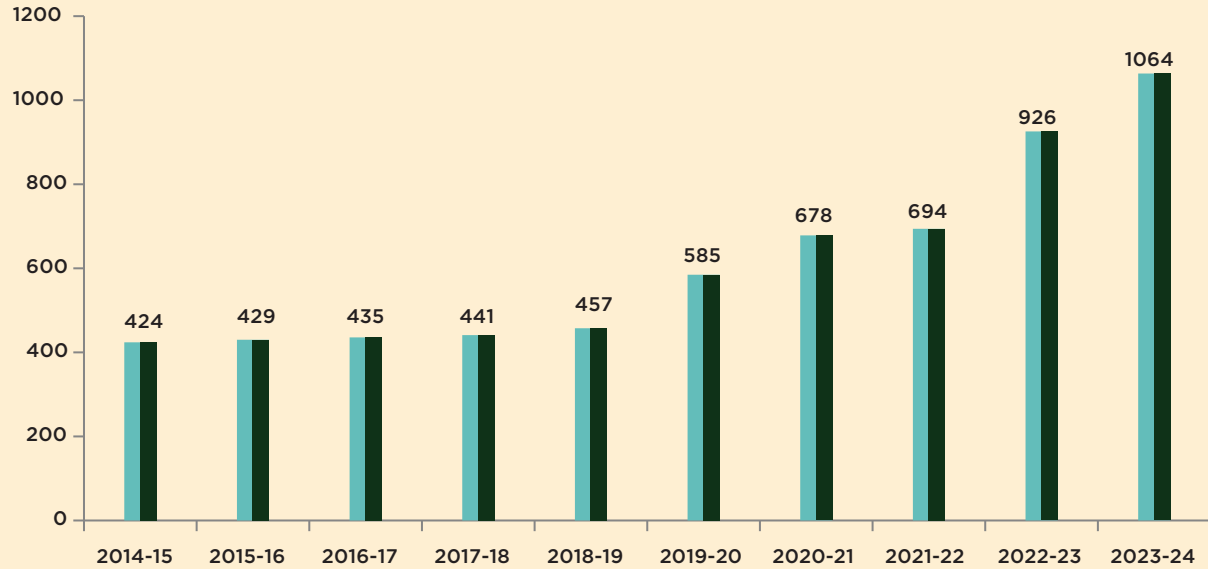


LOAN PORTFOLIO (₹ in Crore)

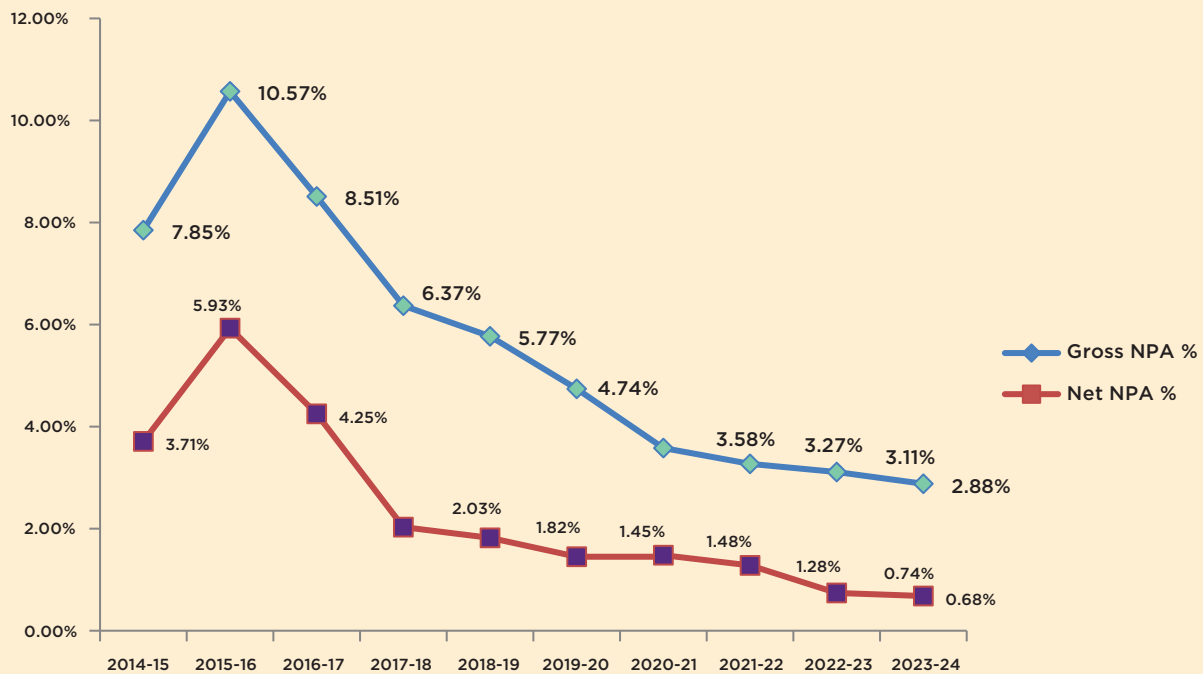


NET WORTH

(₹ in Crore)



NON- PERFORMING ASSET



Key Business Initiatives

Expanding presence to new areas. Started three Stressed Asset Recovery Branches (SARBs) at Thiruvananthapuram, Ernakulam and Kozhikode for focussed recovery. Two Large Credit branches (LCB) were set up at Thiruvananthapuram and Ernakulam for servicing big ticket size loans. Existing 16 branches were upgraded as MSME Credit Branches (MCBs) to focus on small and mid-sized enterprises.

Kerala MSME Bill Discounting Platform (KMBDP). KFC was onboarded as a financier in the Receivables Exchange of India Ltd (RXIL) platform, one of the RBI-approved Trade Receivables Discounting System (TReDS) platforms, under the brand 'Kerala MSME Bill Discounting Platform (KMBDP)' as announced by Hon. Finance Minister in his Budget Speech for FY 2022-23

Digital Document Execution. Implemented Digital Document Execution (DDE) in association with NeSL for paperless execution and storage of financial contracts to enhance the 'Ease of Doing Business' and save substantial resources.

Enhancement of CGTMSE Guarantee Ceiling. In line with CGTMSE Circular No.233/2023-24 dated 15.12.2023, the CGTMSE guarantee ceiling of the Corporation was enhanced to ₹200 lakh from the existing ceiling of ₹50 lakh.

Promoting Life Insurance Business. The Corporation has tied up Corporate Agency with Life Insurance Corporation of India, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited to promote life insurance products.

Loan Scheme for Ex-servicemen. Government vide GO (Ms) No.32/2024/Fin dated 15.03.2024 accorded sanction for implementing new loan scheme for Ex-Servicemen Entrepreneurs to start new MSMEs with a maximum assistance of ₹200 lakh per unit at a net effective rate of interest of 6% per annum.

Future Plans

Flagship Schemes of Government. Atleast 400 new MSME units will be assisted this FY under the Chief Minister's Entrepreneurship Development programme (CMEDP) and 100 Technology-based Startups under the Kerala Startup Scheme.

Scale-up Loan scheme for Mission 1000 initiative of the State Government. A special scale-up loan scheme will be formulated to support MSMEs identified by the Industries Department under the MSME Scale-up Mission (Mission 1000) aiming at scaling up of 1000 MSMEs into businesses with an average annual turnover of ₹100 crore in four years.

Setting up a new company to identify and agglomerate parcels of land available in Kerala. A new company will be set up to identify and agglomerate parcels of land available in Kerala suitable for industries and distribute the same among the entrepreneurs for basic infrastructure development in co-operation with KSFE and NRKs under the aegis of KFC.

Renovation of all Offices of the Corporation. All Offices of the Corporation will be renovated and modernized to have a customer friendly and better working environment. Two new offices will be opened at Thiruvananthapuram in new locations and MCB, South Zonal Office and SARB will be moved to those locations.

Digital Transformation. Aiming seamless customer-friendly service to borrowers, the Corporation will digitize and streamline the lending process from loan origination, sanction, disbursement and monitoring thereby improving the TAT.



Approach Us with Confidence

Incorporated in 1953, under SFC's Act 1951

Regulated by SIDBI in Operational matters

Follows RBI norms in lending

Lending to MSME sector of the State

Assisted more than 65,000 units

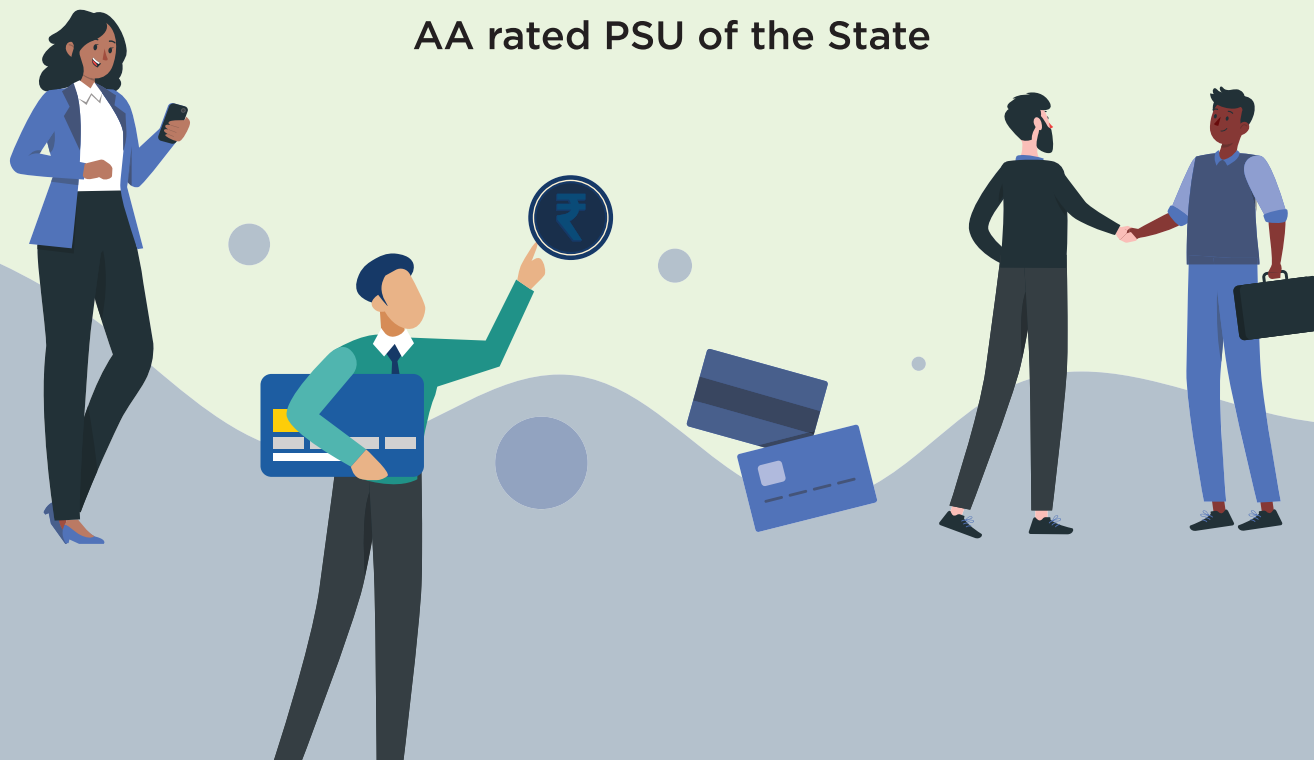
Asset Under Management above ₹8,500 Cr

Reporting profits consistently

ISO certified Organization

One of the best performing SFCs in India

AA rated PSU of the State



Our Product Range

**Term
Loans**

**Working
Capital
Loans**

**Revolving
Fund Loans**

**Short Term
Loans**

**Contractor
Loans**

**Startup
Loans**

**Bill
Discounting**

Guarantees

**Solvency
Certificates**

**Consultancy
Services**



We Provide

- Loans up to ₹50 crore
- Guarantees up to ₹50 crore
- Lowest Interest Rates, starting at 5%
- Fast Track processing of loan proposals
- Longest Moratorium Period, up to 3 years
- Longest Repayment Period, up to 20 years
- Online registration through www.kfc.org
- Transparent Procedures and No hidden charges
- In-principal clearance for loan sanction within 7 days

Our Major Loan Schemes

- LoC Scheme for MSMEs
- Loans to Tourism Sector
- Infrastructure Development Loans
- Asset-Backed MSME Revitalizing Loans
- KAMS - KFC Agro-based MSME Loan Scheme
- Kerala Vikas - Loans to Government Contractors
- Kerala MSME Bill Discounting Platform (KMBDP)
- Loans for Modernization of Existing Industrial Units
- Startup Kerala - Comprehensive Scheme for Financing Startups
- CMEDP - Chief Ministers Entrepreneurship Development Programme
- Support MSMEs - Scheme for Assisting MSMEs located at Industrial Estates



Chief Minister's Entrepreneurship Development Programme (CMEDP)

Scheme Highlights

- Flagship scheme of State Government
- Loans up to ₹200 lakh at 5% p.a interest
- 2% p.a interest under Norka Department Project for Returned Emigrants
- Loans for Startups and MSMEs
- Term Loans and Working Capital Loans
- Loans up to 90% of project cost
- Quick Processing on Easy Terms

Achievements so far

Assisted 2648 MSMEs with **₹726.66** crore so far

Created **25,000** direct employments

Comprehensive Scheme for Financing Startups (Startup Kerala)

Scheme Highlights

Assistance to startups with scalable model

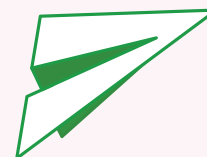
Should be registered with Kerala Startup Mission/ DIPP

Should have Corporate office and operations in Kerala

Shareholding by Indian promoters at least 51%

Assistance at various stages as follows:

- Productization : ₹25 lakh
- Commercialization: ₹50 lakh
- Scaling up: ₹200 lakh
- For Executing Purchase Order: ₹1000 lakh
- Venture Debt Funding: ₹1000 lakh



Achievements so far

Assisted 66 Startups with **₹70.28** crore so far

Created **515** direct employment



LoC for Government Contractors and MSMEs (Kerala Vikas)

- Loans for Government & Corporate Contractors and MSMEs
- Sanctioned as Line of Credit for five years
- Maximum facilities ₹100 crore
- Lowest Interest Rates and Speedy Processing
- Guarantees up to ₹50 crore per Contractor
- Work Execution Loans up to 80% of Contract Value
- Bill Discounting of Part/ Final Bills/ Promissory Notes
- Machinery Loans
- Solvency Certificates

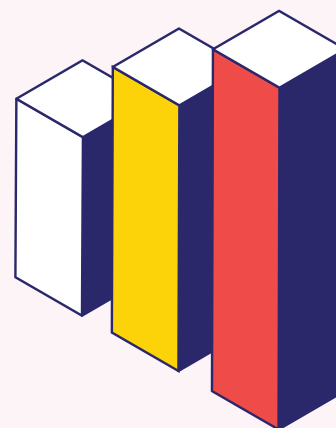
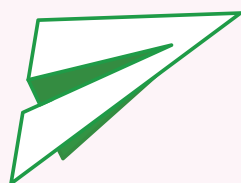


Achievements so far

Assisted more than 1300 Contractors/ MSMEs so far

₹6900 crore LoCs sanctioned

Above **3600** Government works funded
amounting to **₹4400 crore**



KFC Agro-based MSME Loan Scheme (KAMS)

- Loans up to ₹1000 lakh at 6% annual interest.
- Loans to Agro-based MSMEs and Agro-based Startups
- Term Loans and Working Capital Loans
- Loans up to 90% of project cost
- Quick Processing on Easy Terms

Supporting MSMEs located at Industrial Estates

- Loans for setting up new units at Industrial Estates
- Loans for Modernization of existing units at Industrial Estates
- Term Loans/ Short Term Loans/ Working Capital loans/ Guarantees
- Loans up to 75% of project cost for new units
- Loans up to 90% of project cost for existing units
- Maximum loan ₹50 crore
- Interest rate starting from 5%

Kerala MSME Bill Discounting Platform (KMBDP)

- A white labelled TReDS platform for KFC
- System-driven, transparent, paperless and hassle-free platform
- PSUs, Corporates, MSMEs and Government Contractors eligible
- Should have BBB or better External Credit Rating.
- Factoring up to ₹50 crore
- Rate of interest starting at 10%





AWARDS AND RECOGNITIONS 2023 -24

**FACT MKK Nayar Memorial Second Best Productivity Performance
Award for Service Organisation**

Hues of Life best loan provider for the Food Industry

Hues of Life Best Loan Provider for Startups



BOARD OF DIRECTORS



Shri Sanjay Kaul IAS
Chairman & Managing Director



Shri Harikishore IAS
Director of Industries &
Commerce, Govt. of Kerala



Shri E K Harikumar
Chief General Manager
SBT (Retd.)
(till 10.09.2023)



**Shri Anilkumar
Parameswaran**
Chartered Accountant
(till 10.09.2023)



Shri Seetharaman V
General Manager, SBI
(till 31.05.2023)



Shri Satyaki Rasotgi
General Manager, SIDBI
(till 21.05.2024)



Shri K V Karthikeyan
Dy. General Manager, SIDBI
(till 21.05.2024)



Shri Premkumar S
Sr. Divisional Manager, LIC



Sheshu Babu Palle
Dy. General Manager, SIDBI
(till 17.06.2023)



Shri Shaju Raphael
Deputy General Manager, SIDBI
(Since 22.05.2024)



Shri Subbarao Sreepathy
General Manager, SIDBI
(Since 22.05.2024)



Shri. Premnath Ravindranath
Managing Director (i/c)
(27.03.2024 - 10.06.2024)



PRINCIPAL OFFICERS

.....

Executive Director

Shri Premnath Ravindranath

General Managers

Shri Ranjithkumar E R

Shri Ajithkumar K

Financial Controller

Smt Soya K

Deputy General Managers

Shri Adarsh R

Shri Rajesh R

Shri M Manisankar

Shri Anil John Abraham

Shri Prasad V

Company Secretary

Shri Ram Ganesh R

Statutory Auditor

JAKS & Associates,
Chartered Accountants
Thiruvananthapuram

Secretarial Auditor

M/s. K. Narayana Swamy & Co.
Company Secretaries

Registrar and Transfer Agent

CAMEO Corporate Services Ltd
www.cameoindia.com

Debenture Trustees

Catalyst Trusteeship Ltd
www.catalysttrustee.com

SBICAP Trusee Company Limited
www.sbicaptrustee.com

Beacon Trusteeship Ltd.
www.beacontrusteeship.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 71st Annual General Meeting (AGM) of the shareholders of Kerala Financial Corporation will be held at the Head Office of the Corporation, Vellayambalam, Thiruvananthapuram on Monday, June 24, 2024 at 11.00 AM to transact the following businesses:

Ordinary Business

- a. To consider and adopt the Balance Sheet as at March 31, 2024 and the Profit & Loss account for the year ended March 31, 2024 of the Corporation, the Report of the Board of Directors on the working of the Corporation for the Financial Year 2023-24 and the Auditor's Report on the said Balance Sheet and Accounts.
- b. To reappoint Statutory Auditors of the Corporation for the Financial Year 2024-25 under Section 37 (1) of the SFC Act 1951.
- c. To declare dividend

Special Business

4. To approve the proposal to raise funds not exceeding ₹2,200 Crores by way of issuance of bonds on private placement basis.

Place : Thiruvananthapuram,

Date : 27-05-2024

By Order of the Board



Ram Ganesh R

Company Secretary

NOTES:

1. *The Share Register of the Corporation shall remain closed and transfer of shares will be suspended from 17.06.2024 to 24.06.2024 (both days inclusive).*
2. *The form of proxy is enclosed.*
3. *Voting rights of the shareholders shall be determined in terms of the provisions under Section 4F of the State Financial Corporations Act, 1951.*
4. *Any shareholder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a shareholder or not but not being an officer or employee of the Corporation) as his proxy to attend and vote instead of himself. No proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified by a notary public or a magistrate, is deposited at the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.*

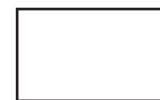
5. *A shareholder being a Company including Small Industries Bank, Public Sector Banks, Co-operative Banks, Co-operative Societies and LIC may, by a resolution of its Directors, authorise any of its officials or any other person (not being an officer or employee of the Corporation) to act as its representative at the meeting. The copy of the resolution appointing him as a duly authorised representative certified to be true copy by the Chairman of the meeting at which it was passed shall have been deposited at the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting.*
6. *The State Government may, by order in writing, authorise any of its officers, whether a Director of the Corporation or not, to act as its representative at the meeting. The copy of the order shall be deposited at the Head Office of the Corporation before the time fixed for the meeting.*
7. *The meeting shall be held, conducted, and the business thereat shall be transacted in adherence to the provisions of the State Financial Corporations Act 1951 (As amended up to date) and in terms of the provisions of the General Regulations of Kerala Financial Corporation.*

KERALA FINANCIAL CORPORATION

H.O. - 'Aswathy', Vellayambalam,
Thiruvananthapuram - 695 033.

I, We.....(folio No.) of.....being a share holder of the Kerala Financial Corporation holding shares Nos.....
hereby appoint Shri/Smt.....of.....
(or failing him Shri/Smt.....of.....)
as my/our proxy to vote for me/us and on my/our behalf at a meeting of the shareholders of the Corporation to be held at.....on the.....day of.....
and at any adjournment thereof.

Signed this.....day of.....



Signature on Rs.1/-
Revenue Stamp

DIRECTORS' REPORT

Dear Stakeholders,

The Board of Directors takes pleasure in presenting the 71st Annual Report of Kerala Financial Corporation (KFC) for the financial year ended March 31, 2024. This report encapsulates a year of significant achievements, indicative of the initiatives of the Corporation taken for fostering entrepreneurship and contributing to Kerala's economic growth.

Kerala Financial Corporation (KFC), established under the State Financial Corporations Act of 1951, has consistently been recognized as a premier PSU supporting the Government of Kerala. Renowned for its diversified and professional services, KFC has played a pivotal role in nurturing entrepreneurs by offering innovative and customized financial solutions. With a predominant focus on Micro, Small, and Medium Enterprises (MSMEs), KFC has achieved remarkable success, evidenced by its highest-ever net profit since inception. KFC has crossed significant milestones in terms of sanctions, disbursements, recoveries, net worth, and NPA levels in the current year.

From fostering innovation to spearheading employment generation through entrepreneurship development, KFC has been a cornerstone of support for the State Government's vision. Aligned with Kerala Industrial Policy 2023, KFC's objectives converge on creating an industry friendly environment. In a significant milestone, KFC's loan portfolio exceeded ₹7,000 crore for the first time, reaching ₹7,368 crore, while its net worth surpassed ₹1,000 crore and touched ₹1,064 crore. With State Government support, KFC has continued to offer loans at competitive rates to entrepreneurs. The infusion of ₹100 crore in share capital by the State Government bolstered KFC's Capital Adequacy Ratio (CRAR) to 25.52%, enhancing its financial stability. Key performance indicators reflect a notable growth - Sanctions have increased by 4.04%, Disbursements by 14.42%, Portfolio expanded by 12.85%, Profit soared by 47.54%, and Gross NPA decreased by 7.40%, while Net NPA witnessed a decline of 4.39%.

Notably, it has played a crucial role in supporting start-ups across the State through the KFC Startup Kerala Scheme and facilitating access to resources for young entrepreneurs through the Chief Minister's Entrepreneurship Development Programme (CMEDP). Moreover, KFC's collaboration with the State Government in establishing a special company as announced by the Honourable Finance Minister in his Budget Speech, aimed at identifying and distributing parcels of land suitable for industries exemplifies its commitment to driving economic growth. This initiative, with an authorized share capital of ₹1000 crore, in partnership with Kerala State Financial Enterprise (KSFE) and Non-Resident Keralites (NRKs), demonstrates KFC's commitment towards infrastructure development and economic empowerment.

The commendable achievements reflecting an all-round balanced growth are a testament to the strategic initiatives spearheaded by the dedicated professional team in the Corporation. In addition to the excellent performance, an exceptional focus on credit quality, streamlined processes and systems, ethical practices, and transparent disclosures are the hallmarks of the Corporation with a strong emphasis on compliance. With a solid market reputation, robust credit quality and a fortified capital base, Kerala Financial Corporation is well positioned to accelerate the growth economic of the State.

PERFORMANCE OF THE CORPORATION

The performance highlights of the Corporation for the last two FYs are as given below

₹ in lakh

Key Parameters	2023-24	2022-23
Portfolio Size	7,36,832.71	6,52,940.30
Sanctions	3,33,666.41	3,20,722.18
Disbursements	4,06,885.43	3,55,594.61
Recovery	3,90,110.42	2,33,241.69
Interest Income	68,185.01	54,364.41
Total Income	86,871.54	69,437.51
Total Expenditure	76,082.46	55,835.81
Op. Profit before technical write-off of bad debts	24,098.66	24,142.60
Op. Profit after technical write-off of bad debts	10,789.08	13,601.70
Net profit after tax	7,404.39	5,018.64
Basic EPS (in ₹.) [face value ₹100/-]	10.19	12.43
Diluted EPS (in ₹.) [face value ₹100/-]	10.19	12.41
Net worth	1,06,352.78	92,570.25
Capital Adequacy Ratio %	25.52	25.58
Gross NPA as % of Gross Advances	2.88	3.11
Net NPA as % of Net Advances	0.68	0.74

BUSINESS ACHIEVEMENTS

Sanctions and Disbursements

During the year, the Corporation sanctioned financial assistance of ₹3,33,666.41 lakh during the FY 2023-24 as against ₹3,20,722.18 lakh during the previous FY. An amount of ₹4,06,885.43 was disbursed during the FY 2023-24 as against ₹3,55,594.61 lakh during the previous FY.

Recovery

The Corporation has a well-built monitoring mechanism for recovery of loans. During the year, the Board of the Corporation in its meeting held on 21.09.2023 approved a revised Loan Compromise Settlement Policy (LCSP) to settle NPA loans. CS was sanctioned in 73 cases under the scheme for ₹12,564.07 lakh and 33 cases were settled amounting to ₹3,259.72 lakh as of 31.03.2024. The total collection including advance under CS is ₹4,899.46 lakh. During the year the Corporation has initiated Revenue Recovery action against 125 units with a demand issued for ₹29,872.61 lakh. The Corporation has taken physical possession of four units with Principal outstanding of ₹2,338.54 under SARFAESI during the year. The Corporation has filed an Insolvency Petition under The Insolvency and Bankruptcy Code, 2016 against one unit for a claim of ₹2,739.35 lakh. There are five other units financed by the Corporation and undergoing the process of CIRP/ Liquidation on the basis of petitions filed by other Financial Creditors. The total claim admitted in favour of the Corporation in such cases amounts to ₹1,802.81 lakh. The total recovery during the FY was ₹3,90,110.42 lakh as against ₹2,33,241.69 lakh during the previous year.

Portfolio

The portfolio of the Corporation as on 31.03.2024 is ₹7,36,832.71 lakh viz-a-viz ₹6,52,940.30 lakh of 31.03.2023 registering a growth of 12.85%. The sector-wise classification of Loans & Advances as on March 31, 2024 is furnished below.

₹ in lakh

		As on 31.03.2024			As on 31.03.2023		
	Sector	No	Amount	%	No	Amount	%
1	Manufacturing	1639	1,02,153.41	13.86	2053	85,512.74	13.10
2	Service	4941	6,02,809.70	81.81	4194	5,36,309.18	82.14
3	CRE	120	31,869.60	4.33	144	31,118.38	4.77
	Total	6700	7,36,832.71	100.00	6391	6,52,940.30	100.00

FINANCIAL PERFORMANCE

Profit

The Corporation reported a total income of ₹86,871.54 lakh during the year as against ₹69,437.5 lakh during the FY 2022-23. The Corporation has registered a Net profit of ₹7,404.39 lakh as compared to ₹5,018.6 lakh during the previous year.

Dividend

The Board of Directors has proposed a dividend of 5% for the year ended March 31, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting. As per Section 35A of the SFC Act 1951, 0.50% of the dividend accruing to the State Government and SIDBI will be transferred to the Special Reserve Fund.

Capital & Reserves

The Corporation's paid-up capital as on March 31, 2024 is ₹72650.43 lakh. The capital plus reserves of the Corporation have moved up by 14.89% from ₹92,570.24 lakh to ₹1,06,352.78 lakh.

Shareholding pattern

The composition of shareholders as on March 31, 2024 is furnished below:

Shareholders	Amount(₹ in lakh)	% of Shareholding
Government of Kerala	72,026.940	99.142
SIDBI	613.330	0.844
LIC	7.100	0.010
SBI	2.100	0.003
Others	0.960	0.001
Total	72,650.430	100.000

The Capital to Risk Weighted Assets Ratio (CRAR)

The Capital to Risk Weighted Assets Ratio (CRAR) of the Corporation as on March 31, 2024 according to Basel III guidelines is 25.52% (25.58% as on March 31, 2023). The CRAR of the Corporation after considering the impact of dividend will be 24.69% as on March 31, 2024.

Asset Quality

The Corporation gives utmost priority in maintaining the asset quality of the loan portfolio. As on 31.03.2024, the Standard assets stood at 97.12% of the loan portfolio. Despite the stress witnessed in the banking scenario on account of growing NPAs, the Corporation by strenuous recovery efforts and persistent monitoring has been successful in maintaining the Standard assets portfolio and reducing the Gross NPA to 2.88% in March 2024 from 3.11% in the previous year. The net NPA stands at 0.68% in March 2024 as compared to 0.74% in the previous year. The Provision Coverage Ratio is maintained at a comfortable level of 85.92%.

Key Business Initiatives taken during the year

During the FY 2023-24, the Corporation has launched new loan schemes and products and also fine-tuned the existing processes to remain competitive. The key initiatives taken up are given below:

- **Expanding presence to new areas.** With more products and sectors, the presence of KFC has been expanded to more sectors. Three Stressed Asset Recovery Branches (SARBs) were started to have focussed recovery at Thiruvananthapuram, Ernakulam and Kozhikode. Two Large Credit branches (LCB) were set up for servicing large loans at Thiruvananthapuram and Ernakulam. The existing 16 branches are upgraded as exclusive MSME Credit Branches (MCBs) to focus on small and mid-sized enterprises.
- **Kerala MSME Bill Discounting Platform (KMBDP).** MSMEs' contribution to GDP/ Employment generation is significant and is the growth engine to Country's economy. To help MSMEs of the State, Hon. Finance Minister in his Budget Speech for FY 2022-23 announced the Kerala MSME Bill Discounting Platform (KMBDP). KFC was onboarded as a financier in the Receivables Exchange of India Ltd (RXIL) platform, one of the RBI-approved Trade Receivables Discounting System (TReDS) platforms, under the brand 'Kerala MSME Bill Discounting Platform (KMBDP)'.
- **Digital Document Execution.** Digital Document Execution (DDE) is a paperless mode of execution and storage of financial contracts, which will enhance the 'Ease of Doing Business' and save substantial resources. KFC has implemented Digital Document Execution (DDE) in association with NeSL.
- **Enhancement of CGTMSE Guarantee Ceiling.** In line with CGTMSE Circular No.233/2023-24 dated 15.12.2023, the CGTMSE guarantee ceiling of the Corporation is enhanced to ₹200 lakh from the existing ceiling of ₹50 lakh.
- **Promoting Life Insurance Business.** The Corporation has tied up Corporate Agency with Life Insurance Corporation of India, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited to promote life insurance products.
- **Loan Scheme for Ex-servicemen.** Government vide GO (Ms) No.32/2024/Fin dated 15.03.2024 had accorded sanction for implementing new loan scheme for Ex-Servicemen Entrepreneurs in the State to start new MSMEs with a target of 50 MSMEs every year with maximum assistance of ₹200 lakh per unit at a net effective rate of interest of 6% per annum.
- **Renovation of Head Office.** The renovation of the Head Office building of the Corporation to a modern style building was carried out.

Awards and Recognitions 2023-24

- FACT MKK Nayar Memorial Best Productivity Performance Award for Service Organisation
- Hues of Life best loan provider for the Food Industry
- MSME Excellence Awards from Hues of Life Best Loan Provider for Startups

Resource mobilisation

- **LOC from Commercial Banks.** The Corporation availed ₹2,16,014.49 lakh as Term loan/ Working Capital Demand Loan/ Foreign currency loan from various Commercial Banks/ Financial Institutions and repaid ₹1,49,132.22 lakh during the FY 2023-24. The aggregate outstanding LOC from Banks and other Financial Institutions at the year-end was ₹5,73,712.97 lakh. The Corporation is rated A+ for Bank borrowings from Acuite Rating Agency during the year, signifying a stable outlook.
- **Non-SLR Bonds.** The Corporation raised ₹58,050 lakh through bond issue during the FY 23-24. The aggregate outstanding Bonds at the year-end was ₹1,50,970 lakh.

Listing

The Corporation has listed the following NCDs in the Bombay Stock Exchange and the annual listing fees have been paid. The NCDs are rated AA(SO) by two RBI / SEBI-approved rating agencies. The Corporation remains the only PSU in the State, raising funds from the bond market, without Govt. guarantee. The total outstanding bonds of KFC as on 31.03.2024 aggregate to ₹1,50,970.00 lakh as given below.

(₹ In Lakh)

Sl No	Issue Date	Coupon	Amount Issued	Amount Outstanding	Maturity Date	Credit Rating	Asset Cover ⁺ %
1.	13-Mar-24	8.89%	30,700	30,700	13-Mar-34	AA	100
2.	02-May-23	8.63%	27,350	27,350	24-Mar-33	AA	100
1	24-Mar-23	8.90%	47,650	47,650	24-Mar-33	AA	100
2	14-Sep-20	7.70%	25,000	25,000	14-Sep 30	AA	110
3	09-Jul-19	8.99%	25,000	#18,750	09-Jul-26	AA	125
4	04-Apr-18	8.69%	25,000	#1,520	04-Apr-25	AA	125
		TOTAL	1,67,650	1,50,970			

Partial Redemption done

+ Asset cover maintained as per issue terms (secured by receivables)

In order to enable Debenture Trustees to take prompt action for enforcement of security in case of default in listed debt securities, a 'Recovery Expense Fund'(REF) equal to 0.01% of the issue size subject to maximum of ₹25 lakh shall be created, as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22nd October 2020 which shall be utilized in a manner decided by holders of securities in case of default. The provisions of this circular were made applicable w.e.f. January 2021 and accordingly the amount deposited by Corporation towards REF with BSE as on March 31, 2024 is ₹18.57 lakh.

Asset Liability Management (ALM)

The Corporation's business operations, sources of funds and risk factors have widened, necessitating appropriate steps to effectively deal with fund management and resources planning. The Asset Liability Management Committee (ALCO) actively manage the liquidity and continuously monitor, measure and manage the risks confronting the Corporation. The Corporation's Asset Liability Management (ALM) is aimed at strategic planning, implementation, and control processes that affect the maturity, quality and liquidity of the Corporation's assets and liabilities, thereby ensuring that the returns are commensurate with the level of risk taken. The ALCO met 28 times during the year.

Risk Management

Risk is an integral part of financial institutions. The Corporation has applied focused efforts in creating risk awareness culture and building a comprehensive framework for the identification, measurement and management of all material risks and is continuing to do so to strengthen the risk governance framework.

ISO Certification

The Quality Management System Certificate in respect of the products and/or services, IS/ ISO 9001-2015, was renewed by the Bureau of Indian Standards (BIS) after conducting a surveillance/ renewal audit. The current license is valid till 21st June, 2025. All the offices of the Corporation continue to hold the Quality Management System Certificate.

Other Financial Service Activities

IRDA has approved the Corporation for acting as a Corporate Agent (composite) for procuring or soliciting insurance business. The Corporation has now reregistered itself with IRDA as per IRDAI (Registration of Corporate Agents) Regulations 2015 and the registration is valid till 4th September 2026. A Board approved Policy on the manner of soliciting and servicing insurance products is in place. The Policy includes the approach to be followed by the corporate agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products sold, the grievance redressal mechanism and reporting requirements.

Audits

The accounts of the Corporation are audited on a quarterly basis by the Statutory Auditors. Apart from internal audit, Concurrent Audit of branch operations is also done through reputed firms of Chartered Accountants on a monthly basis. Further, audit of compromise settlement sanctions of above ₹25 lakh are carried out as a prudent control mechanism and risk mitigation measure. A pre-disbursement audit for disbursements above ₹100 lakh is also in place. The Comptroller & Auditor General of India has completed audit of the accounts of the Corporation up to the FY 2022-23.

Statutory Auditors

The shareholders at its 70th Annual General Meeting held on 26.06.2023, reappointed M/s. JAKS Associates, Chartered Accountants (ICAI Firm Registration No. 301003E/E300005), as Statutory Auditors of the Corporation for the audit of the Corporation's accounts for the year 2023-24.

Secretarial Audit and Secretarial Audit Report

Applicability of SEBI (LODR) (5th Amendment) Regulations, 2021

As per Regulation 15(1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 - w.e.f. 7.9.2021), the provisions of Regulations 15 to 27 of Chapter IV shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crores and above. Further, these provisions shall be applicable to a 'high-value debt listed entity' on a 'comply or explain' basis until 31.03.2023 and on a mandatory basis thereafter. In view of the above, KFC had made representation to SEBI/ BSE vide its letters dt. 30.1.2023, 20.2.2023 15.3.2023 & 13.05.2024 seeking certain exemption/ relaxation 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. The matter is pending with SEBI/BSE for a decision. In the meantime, SEBI has extended the date of 'comply or explain' option until 31.3.2025.

Secretarial Audit Report

Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 read with Section 204 of the Companies Act, 2013, the Board has appointed M/s. K. Narayana Swamy & Co., Practicing Company Secretaries, Bengaluru (FCS 1838 / CP 9878 / Peer Review Cert. No.1744/2022) as the Secretarial Auditor for conducting the Secretarial Audit of KFC for the year ended 31st March, 2024. The Report of the Secretarial Auditor is attached as Annexure.

Internal Financial Controls and its Adequacy

The Corporation has put in place extensive internal control measures and processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation and presentation of financial statements. These controls and processes are driven through various policies, procedures and certifications which are continuously reviewed, evaluated, and benchmarked against the best practices followed in the industry. Through continuous refinement and improvement of the internal inspection and vigilance system, the Corporation also ensures that internal controls are operating effectively.

Corporate Social Responsibility (CSR)

The Corporation believes that contributing value back to the society is our responsibility and has started a number of initiatives by stepping out from the traditional operational area to the vast arena of Corporate Social Responsibility. The corporation is engaged in CSR activities through KFC CARE, a society formed by KFC with its employees, both existing and retired as the members.

Participative Management

The Corporation believes in participative management. The rich experience of its officers can be fully utilized by increasing their participation in the decision-making process. Realising this, extensive delegation has been given at different levels across the State at the Branch and Zonal levels. At the Head Office/ Zonal Office/ Branch Office, the committee concept is widely used and decision-making has been transparent and consultative.

Future Plans

- **Setting up a new company to identify and agglomerate parcels of land available in Kerala.** A special company will be set up to identify and agglomerate parcels of land available in Kerala suitable for industries and distribute the same among the entrepreneurs for basic infrastructure development to aim for infrastructure development. This company having an authorised share capital of ₹1000 crore, will be formed in co-operation with KSFE and NRKs under the aegis of KFC.
- **Renovation of all Offices of the Corporation.** The Corporation will renovate and modernise all Offices to have a customer friendly better working environment. Two new offices will be opened at Thiruvananthapuram in new locations and will move MCB, South Zonal Office and SARB to those locations.
- **Flagship Schemes of Government.** 400 MSME units will be assisted this year under the Chief Minister's Entrepreneurship Development Scheme (CMEDP) and 100 Technology-based Startups under the Kerala Startup Scheme.
- **Scale-up Loan scheme for Mission 1000 initiative of the State Government.** KFC will formulate a special scale-up loan scheme of up to ₹20 crore to provide financial assistance to Micro, Small, and Medium Enterprises (MSMEs) identified by the Industries Department under the MSME Scale-up Mission (Mission 1000) scheme aimed at scaling up 1000 MSMEs in the State into businesses with an average annual turnover of ₹100 crore in four years.
- **Digital Transformation.** With the aim of extending seamless customer-friendly service to the borrowers and to remain updated with the latest technology developments, the Corporation proposes an overall digital transformation which will act as a powerful catalyst to Business Growth in terms of Revenues, Market Share, Business Segments, Opportunities and Volumes. It will include strategies to digitize and streamline the lending process from loan origination, sanction, disbursement and monitoring. , Improving the TAT from loan enquiry till disbursement, Data analytics powered credit decision making.

Corporate Governance

The Corporation is committed to adopting best corporate governance practices and believes that effective Corporate Governance is not just a requirement for regulatory compliance, but also a facilitator for the enhancement of stakeholders' value. The Corporation has been ensuring fairness, responsibility, accountability and transparency in all its dealings. The Corporation reiterates its commitment to pursue the highest standards of corporate governance such as empowerment and integrity of its employees, transparency in the decision-making process, fair & ethical dealings, and accountability to all the stakeholders. The various internal policies of the Corporation were reviewed by the Board during the year and wherever required necessary amendments are being done. ISO procedures are scrupulously complied with.

The Corporation has designated State Public Information Officers, Assistant State Public Information Officers and Appellate Officers for the Head Office as well as the Branch Offices for giving replies under RTI Act 2005. Prompt action is taken for replying to the petitions received under RTI in a time-bound

manner. All applications have been disposed of within the time stipulated under RTI Act.

The Corporation has complied with provisions relating to the constitution of the Internal Complaints Committee under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy provides for protection against sexual harassment of women in the workplace and prevention and redressal of such complaints. During FY 23-24, no frauds were reported. During the year the Corporation has received a few notices from BSE on various dates directing to pay fines/penalties for delay in intimation of record dates of Interest payments/ Principal redemptions of Debentures and certain other regulations. The Corporation has submitted before BSE for waiver of fine/ penalty and the matter is pending. Other than that mentioned above, there were no penalties or strictures imposed on the Corporation by the SEBI, BSE and/ or any other statutory authorities.

The Corporation has a three-tier Corporate Governance structure, viz:

- a. The Board of Directors:** The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, reporting mechanism & accountability and decision-making process to be followed. The Board of the Corporation is responsible for the implementation and maintenance of adequate internal financial controls and has adopted the necessary policies and procedures for ensuring the orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information and disclosures, as required under the various statutes.
- b. Apex Committees of the Board of Directors:** The Board has Sub-Committees to oversee various functional aspects of the business and operations of the Corporation. The Committees are Executive Committee, Audit Committee, Sub-Committee for Policy Revision, Risk Management Committee, Stakeholder's Committee and the Nomination and Remuneration Committee. These committees focus on financial reporting, audit & internal controls, loan sanctions with exposure above ₹2000 lakh, identification & resolution of various risks aspects in the business, compliance issues, sustainable development, various policy revisions, etc.
- c. Executive Management:** The entire business and operations of the Corporation are managed by the Executive Management comprising of the Executive Director, General Managers, Financial Controller, Head of Departments and Zonal Managers with clearly demarcated & well-defined responsibilities and delegations at different levels.

Board of Directors

The details of the Board of Directors are given below:

Name	Designation	Tenure
Shri.Sanjay Kaul IAS, Chairman	Secretary, Government of Kerala	01.06.2021 to till date
Shri.Sanjay Kaul IAS, MD	Secretary, Government of Kerala	01.06.2021 to 26.03.2024 11.06.2024 to till date
Shri.Sanjay Kaul IAS, Director	Secretary, Government of Kerala	20.05.2020 to till date
Shri.Harikishore IAS, Director	Director, Industries & Commerce	12.08.2021 to till date
Shri.EK Harikumar, Director	Chief General Manager (Rtd), SBT	11.09.2017 to 10.09.2023
Shri.Anilkumar Parameswaran, Director	Chartered Accountant	11.09.2017 to 10.09.2023
Shri.Seetharaman V, Director	General Manager, SBI	07.08.2021 to 31.05.2023
Shri.Satyaki Rastogi, Director	General Manager, SIDBI	29.09.2021 to 21.05.2024
Shri.KV Karthikeyan, Director	Deputy General Manager, SIDBI	04.05.2022 to 21.05.2024
Shri.Premkumar S, Director	Senior Divisional Manager, LIC	11.08.2022 to till date
Shri.Sheshu Babu Palle, Director	General Manager, SBI	17.06.2023 to till date
Shri.Subbarao Sreepathy, Director	General Manager, SIDBI	22.05.2024 to till date
Shri.Shaju Raphael, Director	Deputy General Manager, SIDBI	22.05.2024 to till date
Shri.Premnath Ravindranath, MD (i/c)	Executive Director, KFC	27.03.2024 to 10.06.2024

Apex Committees:

The Board of the Corporation met eight times during the year on 27.05.2023, 21.07.2023, 09.08.2023, 25.09.2023, 07.11.2023, 06.12.2023, 09.02.2024 and 12.03.2024.

The Executive Committee met thirteen times during the year on 06.05.2023, 01.06.2023, 07.06.2023, 21.06.2023, 21.07.2023, 23.08.2023, 08.09.2023, 27.09.2023, 24.11.2023, 13.12.2023, 08.01.2024, 06.02.2024 and 06.03.2024.

The Audit Committee met six times during the year on 06.05.2023, 27.05.2023, 09.08.2023, 07.11.2023, 08.02.2024 and 27.03.2024.

The Sub-Committee for Policy Revision met three times during the year on 22.05.2023, 31.05.2023 and 06.06.2023.

The Risk Management Committee (RMC) met twice during the year on 06.06.2023 and 08.02.2024.

The Stakeholder's Committee (SHC) met once during the year on 08.02.2024.

The Nomination and Remuneration Committee (NRC) met once during the year on 10.11.2023.

Attendance of the Members in the Board and Apex Committee Meetings during the FY 2023-24:

Type of Meeting	No. of Meetings held	Shri. Sanjay Kaul IAS	Shri. Hari kishore IAS	Shri. EK Hari kumar	Shri. Anil kumar Parameswaran	Shri. Satyaki Rastogi	Shri. K V Karthikeyan	Shri. Prem kumar S	Shri. Sheshu Babu Palle
Board	8	8	0	3	3	4	5	8	6
Audit Com.	6	NA	0	3	3	2	0	3	3
Exec. Com	13	13	0	7	7	2	0	10	6
Sub Com.	3	NA	0	3	3	0	0	0	0
RMC	2	NA	0	1	1	0	0	1	1
SHC	1	NA	0	0	0	0	0	1	1
NRC	1	NA	0	0	0	1	0	1	1

Remuneration paid to Key Managerial Personnel

No remuneration is paid to Shri.Sanjay Kaul, IAS, Chairman. The Salary and other perquisites paid to other KMPs are as follows.

Shri.Premnath Ravindranath, MD(in charge) – ₹31.24 lakh, Smt.Soya K, Financial Controller – ₹23.08 lakh and Shri.Ram Ganesh R, Company Secretary (from 14.12.2023) – ₹2.84 lakh.

Directors' Responsibility Statement

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities; and the Directors have prepared the annual accounts on a going concern basis.

To the best of the knowledge of the Directors and belief and according to the information and explanations obtained by them, your Directors make the following statements that:

- in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in the Notes to the Financial Statements, have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at March 31, 2024 and of the profit of the Corporation for the period;
- the applicable guidelines prescribed for SFCs have been followed and there has been no material departure. Accrual method of accounting is followed for standard assets and cash basis for non-

- performing assets from 2005-06;
- d. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the SFC Act, 1951, Companies Act, 2013, SIDBI/ RBI Guidelines etc., for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
 - e. the annual accounts for the financial year ended on March 31, 2024 have been prepared on a going concern basis;
 - f. proper internal financial controls had been laid down and that such financial controls were adequate and were operating effectively;
 - g. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;

Acknowledgements

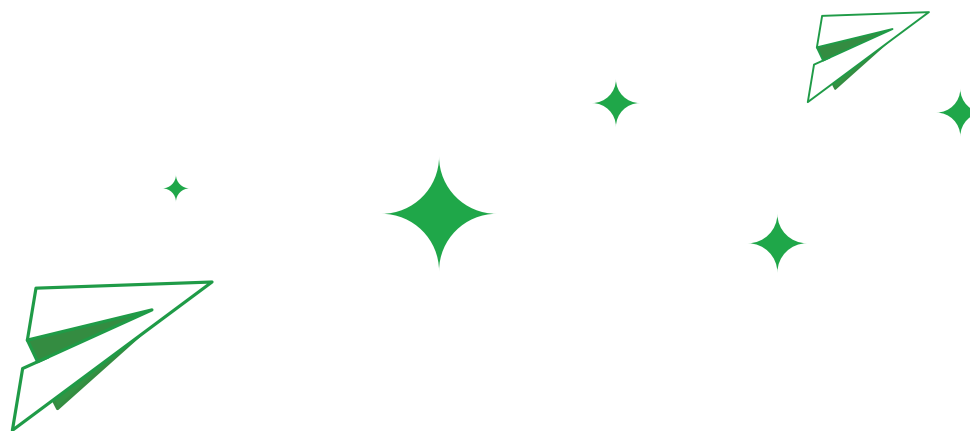
The Board of Directors places on record its gratitude to the Government of Kerala, SIDBI, Other Governmental Agencies and Departments, Reserve Bank of India, SEBI, IRDA and all other statutory/ regulatory authorities for the strong support and guidance during the year. The Board also wishes to express gratitude to the Banks/ Financial Institutions, Rating agencies, Trustees and Stock Exchange for the continued support received. The Board takes this opportunity to put on record its deep sense of gratitude for the continued support, patronage and goodwill to its shareholders, customers and vendors and looks forward to their continued association in the years ahead. The Board takes great pleasure in recording its appreciation of the dedicated services rendered by the erstwhile Directors on the Board and the Officers and Staff of the Corporation.

Thiruvananthapuram
27.05.2024

For and on behalf of the Board



Sanjay Kaul IAS
Chairman





SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with
Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kerala Financial Corporation.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by KERALA FINANCIAL CORPORATION - Pan No. AABCK1316M (hereinafter called 'the Corporation / KFC'). The Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Corporation's books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Corporation has during the audit period ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Corporation has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Corporation for the financial year ended on 31st March, 2024 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder; (Not Applicable);
NOTE: KFC is not a Company registered under the Companies Act, but was established under the State Financial Corporations Act, 1951 and governed by the KFC General Regulations, 2003 approved by Government of Kerala and SIDBI.
- II. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder (Not Applicable);
- III. The Depositories Act, 1996 and the Rules made there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable); and
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), viz.,
(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (i) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 to the extent applicable;
- (j) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company) to the extent applicable; & (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable);

We have also examined the following Specific Laws and Regulations as applicable to the Corporation based on the information received and records maintained by the Corporation on test-check basis:

VI. Specific Laws -

- a. State Financial Corporations Act, 1951 &
- b. KFC General Regulations, 2003,

VII. General & Labour Laws -

- a. Payment of Wages Act, 1936
- b. Employees Provident Funds and Miscellaneous Provisions Act, 1952
- c. Payment of Gratuity Act, 1972
- d. Contract Labour (Regulation and Abolition) Act, 1970
- e. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 &
- f. Other applicable Labour Laws, Rules & Regulations thereof.

The Management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Corporation have been complied with. Apart from the above, we have also examined the compliance of applicable 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).

Accordingly, we state that during the year under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable Specific, General & Labour laws and that the Corporation has complied with the provisions of the Acts, Rules, Regulations, Orders,

Standards, Guidelines, etc., mentioned above, subject to the following -

1. KFC has appointed a qualified Company Secretary as the Compliance Officer in terms of Regulation 6 (1) of SEBI (LODR) Regulations, 2015 read with Section 203 (1)(ii) of the Companies Act, 2013 on 14th December, 2023.
2. KFC is not a Company registered under the Companies Act, but was established under the State Financial Corporations Act, 1951 and governed by the KFC General Regulations, 2003 approved by Government of Kerala and SIDBI. As such, KFC is not in a position to fully comply with the requirements of SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/567 dt. 31.5.2021 regarding Compliance Reports on Corporate Governance.
3. KFC is also 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.
4. The policy on PIT is being framed and the same will be approved by the Board and implemented soon.
5. KFC has since issued notices to the bond holders to claim the unclaimed outstanding amounts (Ref Regulation 61A of SEBI (LODR), Regulations, 2015). Any amount remaining unclaimed will be transferred to Investor Education and Protection Fund.
6. There were delays regarding intimation of Board Meeting date and Record date to BSE resulting in levy of minor penalties. However, subsequent to the above notices from BSE, there is no delay with required systems in place.

We have not examined compliance by the Corporation of the applicable financial laws, maintenance of financial records, etc., since the same are subject to review by statutory auditors and other designated professionals.

We report that:

Adequate notices were given to all Directors to schedule the Board Meetings and the Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous inasmuch as minutes of the Meetings are self-explanatory.

We also report that based on the information provided and representation made by the Corporation and upon review of compliance mechanism established by the Corporation, we are of the opinion that there were adequate systems and processes in the Corporation commensurate with the size and operations of the Corporation to monitor and ensure compliance with all applicable Laws.

In this connection, we report that:

1. As per Regulation 15(1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 - w.e.f. 7.9.2021), the provisions of Regulations 15 to 27 of Chapter IV shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crores and above. Further, these provisions shall be applicable to a 'high value debt listed entity' on a 'comply or explain' basis until 31.3.2023 and on a mandatory basis thereafter. In view of the above, KFC has made representation to SEBI/BSE vide its letters dt. 30.1.2023; 20.2.2023 & 15.3.2023 seeking certain exemption / relaxation 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, as a Special Case, in view of the unique situation in which the KFC is placed. SEBI has initially extended the timeline till 31st March, 2024 for HDVLEs for mandatory applicability of listing norms, i.e., Reg.16 to 27 of SEBI (LODR), Regulations 2015. Subsequently, SEBI has further extended the timeline till 31st March, 2025. KFC has vide letter No.KFC/F&A/Bond/2024-25 dt.13.5.2024 has once again requested 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.
2. KFC raised Rs.580.5 Crores through Bonds Issue during the year under review. The aggregate outstanding Bonds at the year end was Rs 1509.7 Crores.
3. There were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the affairs of the Corporation

For K. Narayana Swamy & Co.,

Company Secretaries



(K. Narayana Swamy)

FCS 1838 / CP 9878

Peer Review Cert. No.1744/2022

UDIN NO.F001838F000389698

Place : Bengaluru

Date : 17th May, 2024

Note: This Report is to be read with our letter of even date which is annexed as 'Annexure - A' and forms an integral part of this Report.

‘Annexure - A’

To,
The Members,
Kerala Financial Corporation.

Our Report of even date is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the Management of the Corporation. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Corporation like, Income Tax, GST, etc., as the same were dealt with under separate audit/s.

Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events.

The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards and Guidelines is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test-check basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Corporation nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Corporation.

For K. Narayana Swamy & Co.,
Company Secretaries



(K. Narayana Swamy)

FCS 1838 / CP 9878

Peer Review Cert. No.1744/2022

UDIN NO.F001838F000389698

Place : Bengaluru

Date : 17th May, 2024

INDEPENDENT AUDITOR'S REPORT

To
The Members
Kerala Financial Corporation
Thiruvananthapuram

Report on the Audit of the Financial Statements,

We have audited the Financial Statements of Kerala Financial Corporation (herein referred to as KFC), which comprise the Balance Sheet at March 31, 2024 and the Profit and Loss account and the statement of Cash Flows for the Year Ended, and the Notes to the Financial Statements, including a summary of Significant Accounting Policies.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Financial Statements give a true and Fair of the Financial Position of the entity as at March 31, 2024 and of its Financial Performance and its cash flows for the year the ended in accordance with the directives of SIDBI, State Financial Corporation Act and the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section for our report. We are independent of the entity according to the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the opinion.

Emphasis of Matter

1. The corporation has restructured loan accounts amounting to ₹35,592.11 Lakh and classified as Standard assets, and accrued interest on these assets is about ₹448.34 Lakh. The corporation has made additional provision of 10% on these assets and is included in the provision for bad debts.
2. The corporation applies a higher percentage of provision for bad debts on sub-standard assets than prescribed in the RBI Norms. Though the corporation does it on a conservative basis, the correct application of RBI Norms will have a material impact on the Profit and Loss account of the corporation.
3. The corporation has a property acquired against a defaulted loan with a value of ₹400.34 Lakh shown as an asset in its Balance Sheet. This has been there for a very long time. Though there are records available to substantiate the recoverability of the asset, the same is not getting materialised.

4. The corporation does not have a full-fledged system to verify whether the collateral securities are revalued once in every three years and updated in the loan database and accounting records with the revalued figures.
5. The Loan Portfolio of the Corporation as on 31.03.2024 includes the loans extended to the following Public Sector Undertaking (PSU) of Govt of Kerala.

(₹ In Lakh)

SL no.	Name of Borrower	Sanctioned limit	Balance outstanding
1	Kerala Infrastructure Investment Fund Board (KIIFB)	1,00,000.00	83,335.30
2	Kerala Social Security Pension Ltd (KSSP)	65,000.00	64,999.95
3	Vizhinjam International Seaport Ltd (VISL)	50,000.00	35,257.14
4	Kerala State Electricity Board (KSEB)	1,35,000.00	90,542.59
	Total	3,50,000.00	2,74,134.98

We have found that these loans are secured only by the sovereign guarantee of the Govt of Kerala and does not have any other security.

6. The corporation has funded subsidy upfront to the tune of ₹1522.93 Lakh to the borrowers on certain loan schemes on behalf of Government of Kerala before collecting the subsidy amount from Government. This amount is subject to confirmation from Government of Kerala and the corporation has not taken any provision against it.

7. With reference to Note No.2.23 the corporation has been filing its income tax return based on cash system of accounting though the corporation follows accrual system of accounting. We understand that this policy has created a situation wherein the income tax department seeks for lot of clarifications causing delay in concluding assessments. Therefore, in our opinion, the corporation should switch to filing of income tax returns on accrual basis in order to avoid anticipated litigations with the department atleast for the future years.

Our opinion is not modified in respect of these matters.

Other Matters

- On our random verification, it is observed that the KYC updation of loan files for some loan documents pertaining to branches are not fully in order due to deficiency in documentation.
- Suspense account consists of unidentified credits received in loan accounts during year end, amount retained as per court orders and amount to be refunded in respect of contractor loans. Therefore, we are not in a position to quantify the impact on the Profit & Loss A/c.
- There are some liability accounts with subsidy received from various agencies but not yet released to the eligible borrowers. It may also be noted that for the subsidies payable to the borrowers which have already become NPA, the corporation may adjust the subsidies against the loan account balance with the approval from the authorities concerned.

4. We have come across instances where entire details of Insurance Policy such as Insurance Declared Value, Expiry Date, Lien Clause etc. are not updated in the system and hence not available for complete verification.
5. We have noticed software system deficiencies in generating the required reports for our verification. We could not generate all the necessary reports required for our audit purpose directly from the ERP.
6. Accounting and Reporting Process of the Corporation is highly dependent on Information System Controls. We have observed data cleansing issues during the period of Audit. We are of the opinion that there is an inherent risk that any control lapses, incorrect input data, ineffective data migration procedures and wrong extraction of data may result in the financial accounting and Reporting records being misstated.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and the Fair Presentation of the Financial Statements in accordance with the aforesaid Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of Financial Statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern as the basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to Fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from Frauds or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For JAKS and Associates
Chartered Accountants
FRN No:001360S

Place: Thiruvananthapuram
Date: 27/05/2024

CA Selastin Anthoniappan
M. No.:202874



UDIN:24202874BKCZGI8168

BALANCE SHEET AS AT 31.03.2024

(₹ In Lakh)

	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	72,650.43	42,650.43
	(b) Reserves and surplus	2	33,716.56	29,934.02
	(c) Share application money pending allotment		0.00	20,000.00
2	Non-current liabilities			
	(a) Long-term borrowings	3	559,821.78	445,520.66
	(b) Other non current liabilities	4	509.11	596.03
	(c) Long-term provisions	5	22,453.53	22,318.44
	(d) Deferred Tax Liabilities (net)		321.61	
3	Current liabilities			
	(a) Short-term borrowings	6	164,994.69	173,171.68
	(b) Other current liabilities	7	7,411.16	5,642.08
	(c) Short-term provisions	8	9,962.56	5,802.22
	TOTAL		871,841.43	745,635.56
B	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant and Equipment	9	777.95	642.83
	(ii) Intangible Assets	9	60.45	98.47
	(b) Non-current investments	10	6,250.83	8,451.14
	(c) Other non-current assets	11	570,438.54	462,636.42
	(d) Deferred Tax Assets (net)		0.00	267.65
2	Current assets			
	(a) Current investments	12	59,032.42	44,603.63
	(b) Cash and cash equivalents	13	47,760.03	6,585.36
	(c) Other current assets	14	187,521.21	222,350.06
3	Significant Accounting policies and Notes to Accounts	20		
	TOTAL		871,841.43	745,635.56

Ram Ganesh R
Company Secretary

Soya K
Financial Controller

Seshu Babu Palle
Director

Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date
For J A K S & Associates
Chartered Accountants, Firm Reg No: 001360S

Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2024

(₹ In Lakh)

	Particulars	Note No.	31.03.2024	31.03.2023
A	Continuing Operations			
1	Revenue from Operations	15	80,376.76	65,486.28
2	Other Income	16	6,494.80	3,951.23
3	Total Income		86,871.56	69,437.51
4	Operating Expenses			
	(a) Interest expenses	17	57,150.02	41,159.07
	(b) Employee benefits expenses	18	4,502.87	3,083.01
	(c) Administrative Expenses	19	972.87	886.03
	(d) Depreciation and amortisation expense		147.10	166.80
	(e) Bad debts written off		13,309.58	10,540.90
	Total expenses		76,082.44	55,835.81
5	Operating Profit before exceptional and extraordinary items and tax		10,789.08	13,601.70
6	Operating Profit After exceptional and extraordinary items		10,789.08	13,601.70
7	Less: Provision for Bad and Doubtful debts / Other assets		135.09	4,998.75
8	Profit before tax		10,653.99	8,602.95
9	Tax expense:			
	Less: Current tax expense - (a) Provision for Income Tax		2,660.34	3,669.70
	(b) Provision for Deferred Tax		589.26	-85.39
B	Discontinuing operations		-	-
10	Net Profit after tax for the period		7,404.39	5,018.64
11	Earnings per share (Equity shares of Rs 100/- each):			
	(a) Basic		10.19	12.43
	(b) Diluted		10.19	12.41
C	Profit and loss appropriation			
	Balance in Profit & Loss A/c b/f		15,572.17	13,906.10
	Net Profit for the year		7,404.39	5,018.64
	Total profit available for appropriation		22,976.56	18,924.74
	Add: Income Tax provision written back		-	280.95
	Total		22,976.56	19,205.69
	Less: Appropriations			
	Proposed Dividend		3,632.52	2,132.52
	Transfer to Reserve u/s 36 (1) (viii)		816.25	1,501.00
	Balance Profit after appropriations		18,527.79	15,572.17
	Balance Profit carried to Balance sheet		18,527.79	15,572.17



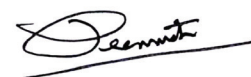
Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director



Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date
For J A K S & Associates
Chartered Accountants, Firm Reg No: 0013605



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024

(₹ In Lakh)

FOR THE PERIOD	31-03-2024	31-03-2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes and prior period adjustments	10,654.00	8,602.95
Interest received on Fixed Deposits	(5,521.51)	(2,421.53)
Depreciation on fixed assets	147.10	166.80
Provision for Non Performing Assets/Other Assets	135.09	4,998.75
Share Issue Expenses	1.03	-
Interest and other costs of Non-SLR Bond	11,122.40	6,117.81
Adjustment for changes in operating assets and liabilities		
Increase in Loans and Advances	(83,892.41)	(1,77,868.89)
Increase in borrowings from Banks	67,204.13	1,51,893.13
Decrease in Other Non-Current assets	(15,509.91)	62,849.98
Decrease in Other Current assets	37,489.18	(75,899.71)
Increase in Current liabilities	1,769.08	(1,679.19)
Increase in Other Non Current Liabilities	(86.91)	(367.13)
Less: Income tax paid	(2,660.34)	(2,875.00)
Net cash from operating activities	20,850.93	(26,482.02)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(244.20)	(173.74)
Net cash used in investing activities	(244.20)	(173.74)
CASH FLOW FROM FINANCING ACTIVITIES		
Money received against Share Capital	10,000.00	20,000.00
Share Issue Expenses	(1.03)	-
Issue of Non SLR Bond	58,050.00	47,650.00
Redemption of Non-SLR Bond	(19,130.00)	(11,737.50)
Interest and other costs of Non-SLR Bond	(11,122.40)	(6,117.81)
Interest Received on Fixed Deposits	5,521.51	2,421.53
Net Investment in NCD	(6,199.47)	(8,399.78)
Proceeds from NCD	-	-
Net Deposit with Banks	(14,428.79)	(20,633.41)
Dividend	(2,132.52)	(106.63)
Addition to Special Reserve	10.66	0.53
Net cash used in financing activities	20,567.96	23,076.93
Net increase in cash and cash equivalents	41,174.69	(3,578.83)
Cash and cash equivalents at the beginning of the year	6,585.36	10,164.19
Cash and cash equivalents at the end of the year	47,760.05	6,585.36



Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director



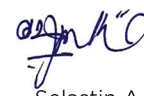
Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date

For J A K S & Associates

Chartered Accountants, Firm Reg No: 001360S



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
NOTE : 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
10,00,00,000 Equity shares of Rs.100/- each	1,00,000.00	1,00,000.00
Issued, Subscribed and Fully Paid up Capital		
Ordinary Shares		
7,22,10,678 Equity shares of Rs.100/- each	72,210.68	42,210.68
Special Shares		
4,39,750 Equity shares of Rs.100/- each	439.75	439.75
Advance for share capital	0.00	20,000.00
TOTAL	72,650.43	62,650.43
NOTE : 2		
RESERVES AND SURPLUS		
(a) Spl. Reserve u/s 36(1)(viii) of IT Act, 1961		
As per last Balance Sheet	14,097.11	12,596.11
Added during the year	816.25	1,501.01
Total of (a)	14,913.36	14,097.12
(b) Spl. Reserve u/s 35(A) of SFCs Act, 1951	261.19	250.53
(c) Revaluation Reserve	14.21	14.21
(d) Profit & Loss Account	18,527.79	15,572.17
TOTAL {(a)+(b)+(c)+(d)}	33,716.55	29,934.03
NOTE : 3		
LONG TERM BORROWINGS		
SECURED (Hypothecation of receivables)		
LoC from State Bank of India	0.01	46,246.40
Foreign Currency Loan from SBI (Term Loan conversion)	1,14,816.40	52,211.63
LoC from Canara Bank	87,011.95	60,696.05
LoC from Union Bank of India	17,083.27	23,749.96
LoC from Bank of Maharashtra	68,740.00	85,412.00
Foreign Currency Loan from South Indian Bank (Term Loan conversion)	13,127.55	17,000.00
LoC from Indian Bank	48,800.00	36,975.00
Loc from Bank of Baroda	13,235.76	20,309.62
LOC from Dhanalaxmi Bank	7,498.84	10,000.00
LOC from Indian Overseas Bank	45,833.00	0.00

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
Non-SLR Bond	1,43,675.00	92,920.00
TOTAL	5,59,821.78	4,45,520.66
NOTE: 4		
OTHER NON CURRENT LIABILITIES		
Coconut Devp. Board Subsidy	242.73	292.73
Other Subsidy	108.44	152.60
Central Subsidy	11.00	11.00
Norka Subsidy	146.94	139.70
TOTAL	509.11	596.03
NOTE: 5		
LONG TERM PROVISIONS		
(a) Provision for Bad and Doubtful debts		
As per last Balance Sheet	22,318.44	17,319.69
Add: Provision made during the year	135.09	4,998.75
Total of (a)	22,453.53	22,318.44
NOTE : 6		
SHORT TERM BORROWINGS		
SECURED BORROWINGS (Hypothecation of receivables)		
Foreign Currency Loan from State Bank of India (WCDL conversion)	4,998.72	4,100.00
Short term loan from State Bank of India	31.45	19,999.99
Short term loan from Union Bank of India	0.00	10,000.00
Short term loan from HDFC Bank	82.65	82.62
Short term loan from Federal Bank	0.00	25,000.00
Foreign Currency Loan from South Indian Bank (CCBD Conversion)	5,040.64	7,000.00
Non-SLR Bond (Current maturity)	7,295.00	14,130.00
Overdraft from City Union Bank	975.17	1,000.22
LOC FROM BANKS (Current maturity)		
Loc from Union Bank of India	3,333.34	6,666.68
Loc from Federal Bank	45,000.00	0.00
Loc from Canara Bank	32,016.86	15,555.56
Loc from Indian Bank	13,225.00	11,800.00
Loc from State Bank of India	0.00	23,500.00
Foreign Currency Loan from State Bank of India (Term Loan conversion)	30,499.92	0.00

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
Loc from Bank of Baroda	4,109.84	909.09
Loc from Bank of Maharashtra	8,343.84	14,594.20
Refinance from IIFCL	0.00	10,833.33
LOC from Dhanalaxmi Bank	1,875.00	0.00
LOC from Indian Overseas Bank	4,167.00	0.00
Foreign Currency Loan from South Indian Bank	4,000.00	3,000.00
UNSECURED BORROWINGS		
Non-SLR Bond - Guaranteed by Government of Kerala (Current maturity)	0.00	5,000.00
HDFC Bank Credit Card	0.27	0.00
	1,64,994.70	1,73,171.69
NOTE : 7		
OTHER CURRENT LIABILITIES		
State Subsidy	103.49	13.49
RR Commission Payable	3.85	43.42
Earnest Money Deposit	2.10	2.10
Suspense Account	315.33	318.95
Tax Deducted at Source	64.62	100.58
Other Salary Deductions	0.13	6.72
Other Sundry Deposits	98.45	110.25
Gratuity Payable	62.10	2.10
Outstanding Expenses	1,081.48	1,027.28
Salary Payable	940.30	0.11
Accrued Interest on Non SLR Bonds	739.70	1,183.53
Accrued Interest on LOC from banks	1,359.98	1,208.10
Audit Fee Payable	4.59	2.61
Concurrent Audit Fee payable	8.40	7.30
Staff Dues Retained	0.82	0.00
Unclaimed Dividend	0.15	0.12
PF Contribution Payable	0.00	0.56
Commission Received in Advance	624.05	412.91
Leave encashment payable	41.93	0.00
Foreign Currency Payable	1,354.29	945.99
CGST Payable	26.15	26.37
SGST Payable	26.15	26.37

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
IGST Payable	0.07	0.00
CGST & SGST TDS Payable	0.72	0.02
IGST TDS Payable	3.18	4.72
Excess Payable	549.14	198.48
TOTAL	7,411.17	5,642.08
NOTE : 8		
SHORT TERM PROVISIONS		
(a) Provision for Taxation:		
As per last Balance Sheet	3,669.70	2,272.41
Add: Provision made for the current year	2,660.34	3,669.70
Less : Adjusted against Advance Income Tax	0.00	1,991.46
: Excess Provision of earlier years written back	0.00	280.95
Total	6,330.04	3,669.70
(b) Proposed Dividend for the year	3,632.52	2,132.52
TOTAL	9,962.56	5,802.22
NOTE : 10		
NON CURRENT INVESTMENTS		
Keltron Counters Ltd.	1.47	1.47
Kerala Spinners Ltd.	2.00	2.00
Vanjinad Leathers Ltd.	4.91	4.91
KITCO	14.50	14.50
India SME Asset Reconstruction Co.	35.00	35.00
Kerala Venture Capital Fund	66.00	66.00
Kerala Infrastructure Fund Management Ltd	2.56	2.56
Investment in NCD - RCFL	5,269.77	5,269.77
Investment in NCD - 7.74% SBI	2,301.79	2,301.79
Investment in NCD - 8.25% BOB	1,491.63	1,491.63
Investment in NCD - 8.80% Oriental Insurance	0.00	2,200.32
Investment in NCD -5.23% NABARD 31/01/2025	2,406.04	2,406.04
Sub Total	11,595.67	13,795.99
Less : Provision for diminution in value of investments	5,344.85	5,344.85
TOTAL	6,250.82	8,451.14

(₹ In Lakh)

NOTE : 9 FIXED ASSETS											
Particulars	Rate	Gross value as on 31-03-2023	Additions During First Half	Additions During II Half	Additions During the Year	Deletions during the year	Gross value as on 31-03-2024	Depreciation upto 31-03-2023	Depreciation for the year	Depreciation upto 31-03-2024	WDV as on 31-03-2024
1	2	3	4		4	5	6	7	8	9	10
Land	0%	11.62	-	-	-	-	11.62	-	-	-	11.62
Building	10%	816.15	7.03	123.34	130.37	-	946.52	515.50	36.94	552.43	394.10
Motor Vehicle	15%	177.18	-	-	-	-	177.18	158.46	2.81	161.26	15.91
Electrical Fittings	10%	215.97	-	-	-	-	215.97	134.37	8.16	142.53	73.44
Air Conditioner	15%	68.14	-	15.61	15.61	-	83.75	45.79	4.52	50.32	33.44
Photocopier	15%	22.35	-	-	-	-	22.35	21.28	0.16	21.44	0.91
Computer	40%	515.86	10.78	35.54	46.32	-	562.18	468.00	30.56	498.57	63.61
Intangibles	40%	763.28	2.27	-	2.27	-	765.55	664.80	40.30	705.10	60.45
Other office Equipments	15%	167.61	3.68	15.91	19.59	-	187.20	85.61	14.05	99.65	87.55
Lift	15%	9.73	-	-	-	-	9.73	8.74	0.15	8.89	0.84
Furniture	10%	231.27	2.82	27.20	30.02	-	261.29	156.02	9.17	165.19	96.10
Solar Power Generator	40%	76.85	-	-	-	-	76.85	76.13	0.29	76.42	0.43
Total		3,079.01	26.58	217.60	244.18	-	3,320.19	2,334.70	147.11	2,481.80	838.40
Total (Previous Year)		2,902.27	140.59	33.14	173.74	-	3,076.01	2,167.90	166.80	2,334.70	741.30

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
NOTE : 11		
OTHER NON CURRENT ASSETS		
Property Acquired in Satisfaction of Claims	400.34	400.34
House Loans to Employees	1,471.09	1,104.17
Conveyance Loan to Employees	205.79	191.56
Computer Loan to Employees	3.68	5.52
Personal Loan to Employees	139.91	89.69
Advance to Employees	28.72	23.67
Deposit with P&T	0.01	0.01
Other Deposits	107.21	91.43
Deposit with KSEB	11.98	11.98
Interest Accrued on Staff Loans	862.60	777.35
GTI Advance	6.70	2.29
Advance for Fixed Assets	121.64	123.67
Loans and Advances (Principal due above 1 year)	5,67,078.86	4,59,814.73
TOTAL	5,70,438.53	4,62,636.41
NOTE : 12		
CURRENT INVESTMENTS		
Short Term Deposits with Banks	59,032.42	44,603.63
TOTAL	59,032.42	44,603.63
NOTE : 13		
CASH AND CASH EQUIVALENTS		
Cash in hand	0.41	0.43
Bank Accounts	47,759.62	6,584.93
TOTAL	47,760.03	6,585.36
NOTE : 14		
OTHER CURRENT ASSETS		
Advance Income Tax	7,682.82	3,165.21
Input Tax Credit	50.84	60.79
Income Tax Deducted at source	277.46	59.04
Stock of Stationery	0.00	0.00
Library	0.00	0.00
Rent Receivable	14.26	16.11
Prepaid Expenses	14.27	6.25
CGTMSE Fee	2.58	6.71
Subsidy Receivable from Govt	17.41	17.41
KSEDM Interest Receivable	0.71	4.29
Deferred Premium on Forward Contract	1,202.86	781.40
Kerala Innovation fund expenses Receivable	0.16	0.15
Share capital contribution receivable from Govt	0.00	20,000.00

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
Interest Accrued on Loans & Advances	3,016.97	2,693.25
Interest Accrued on STD with Banks	3,946.06	2,024.56
CMEDP Interest Receivable	1,434.35	379.48
KAMS Interest subsidy	80.50	8.04
KSUM Interest Receivable	18.05	1.85
NORKA Interest Subvention	0.00	-0.07
DSFV Interest Receivable	8.08	0.00
Loans & Advances (Principal Due within one year)		
a) Bills purchased and discounted	50,380.76	14,192.57
b) Term Loans	1,19,373.09	1,78,933.00
TOTAL	1,87,521.23	2,22,350.04
NOTE : 15		
REVENUE FROM OPERATIONS		
Interest Received On Loans & Advances	69,802.64	55,443.83
Less : Interest rebate allowed on Loans	1,617.62	1,079.42
Net Interest Received On Loans & Advances	68,185.02	54,364.41
Loan Processing Fees	918.66	947.75
Recovery from written off loans	11,179.87	10,027.78
Switch over interest	0.60	3.30
Premium on pre-closure	92.61	143.04
TOTAL	80,376.76	65,486.28
NOTE : 16		
OTHER INCOME		
Interest on Staff Loans	120.93	110.49
Interest on Bank Deposits	5,521.51	2,421.53
Interest received on IT refund	0.00	126.99
Other Income	354.61	308.32
Exchange gain on Forex	0.00	731.51
Rent Received	76.19	84.99
Income from Insurance Agency	12.89	5.09
RTI Application Fee Received	0.01	0.02
Consultancy Service Division Receipts	0.81	0.05
Commision exchange and brokerage	407.85	162.24
TOTAL	6,494.80	3,951.23
NOTE : 17		
INTEREST AND FUND EXPENSES		
Interest on Bonds	10,582.13	5,670.65
Interest on Coconut Dev Board Subsidy & Norka Capital subsidy	37.11	48.57
Interest on Line Of Credit from Banks	42,835.53	31,324.54

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
Guarantee Commission	44.44	88.88
Premium on Forward Contract	2,832.28	3,668.15
Exchange loss on Forex	321.67	0.00
Bond Issue Expenses	457.68	313.37
Share Issue Expenses	1.03	0.00
LOC Administrative Expenses	38.15	44.91
TOTAL	57,150.02	41,159.07
NOTE : 18		
EMPLOYEE BENEFITS AND EXPENSES		
Pay & Allowances	3,944.05	2,737.00
Contribution to Employees' P.F	140.92	157.78
Contribution to NPS	151.38	88.75
Group Gratuity Insurance	3.00	2.92
Group E/L Encashment Insurance	152.00	5.00
Group Term Insurance	8.40	1.93
Other Staff Expenses	103.12	89.63
TOTAL	4,502.87	3,083.01
NOTE : 19		
ADMINISTRATIVE EXPENSES		
Rent, Rates, Taxes & Insurance	146.15	163.07
Postage, courier and Telephone	20.02	37.65
Printing & Stationery	19.24	16.29
Vehicle Running & Maintenance	19.25	13.67
Repairs & Maintenance	64.56	47.46
Revenue Recovery expenses	60.00	45.00
Loan Recovery Expenses	202.66	191.45
Bank Charges and Commission	4.65	7.61
Audit Fees	4.59	2.61
Consultancy Charges	49.57	74.55
Legal Expenses	17.82	13.40
Books & Periodicals	2.31	2.14
Other Expenses	213.91	156.73

(₹ In Lakh)

	As at 31.03.2024	As at 31.03.2023
Travelling Expenses	23.06	11.07
Board / E.C. Meeting Expenses	1.44	2.34
Other Meeting Expenses	8.48	6.75
Concurrent Audit Fee	47.38	43.23
Advertisement and publicity	36.36	43.96
CMEDP Expenses	0.00	0.17
Business Development Expenses	31.42	6.89
TOTAL	972.87	886.04



Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director



Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date

For J A K S & Associates

Chartered Accountants, Firm Reg No: 001360S



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

NOTE : 20**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****CORPORATE INFORMATION**

The Kerala Financial Corporation is a State Financial Corporation having its area of operations in the state of Kerala and incorporated under the provisions of the State Financial Corporation Act, 1951. It was established as the Travancore Cochin Financial Corporation on 01.12.1953. Consequent to the reorganization of states on linguistic basis in November 1956, Kerala State was formed and the Travancore Cochin Financial Corporation was renamed as Kerala Financial Corporation. The Corporation is engaged in extending financial assistance to Micro, Small and Medium Enterprises in manufacturing and service sector in the state.

BASIS OF PREPARATION

The Financial Statements of the Corporation have been prepared and presented under the historical cost convention and on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the statutory requirements prescribed under the State Financial Corporation Act, 1951, the circulars and guidelines issued by the SIDBI and Reserve Bank of India ('RBI') from time to time and the Accounting Standards to the extent applicable and practices generally prevalent in the banking and financial sector in India. The Corporation has adopted the format of Schedule III to the Companies Act as amended by Notification G.S.R.207(E), dated 24th March, 2021 to the extent applicable and Accounting standards issued by the Institute of Chartered Accountants of India, for better presentation of the financial statements.

The accounting policies adopted in the preparation of financial statements are in consistence with those of previous year except for the change in accounting policy, explained hereunder.

1. SIGNIFICANT ACCOUNTING POLICIES**1.1 . USES OF ESTIMATES**

The preparation of the Financial Statements, in conformity with Indian GAAP requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

1.2. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. All the revenue items are accounted on accrual basis. Income is recognised on accrual basis on performing assets and on realisation basis in respect of non-performing assets as per the prudential norms on income recognition, asset

classification and provisioning prescribed by RBI/SIDBI. The Corporation debits the monthly interest in all the loan accounts on the first day of the subsequent month. Interest due is calculated and charged to the party on gross basis and the eligible rebate is credited to the party on payment of dues in time subject to their rating and other factors determining the rate of rebate. The rebate for prompt payment is deducted from interest income for reporting in the financial statements. Interest accrued on standard loans is recognized as interest income in the financials at the end of the financial year and is reversed on the first day of the next financial year.

The commission on performance guarantee provided is collected upfront from the customers for the full tenure of guarantee period. However the commission in respect of the unexpired portion of the guarantee will be reversed at the end of the financial year. In case of completion/closure of facility before the specified tenure, corporation will reimburse the commission for the balance period, provided the commission for a minimum period of one year will be retained.

Recovery of loans and advances is appropriated first towards recovery of expenses, then towards interest and the balance, if any, towards principal. However, in the case of Compromise Settlement and sale of units taken over under the SFCs Act, 1951 and Revenue Recovery proceedings, the proceeds are apportioned first towards recovery of expenses and then towards principal amount and lastly towards interest, on satisfaction of the stipulated conditions. Recoveries from bad debts written-off are recognised in the Statement of Profit and Loss as revenue on receipt basis.

1.3. INVESTMENTS

The classification and valuation of the securities and investments are done as per the Treasury & Investment Policy in compliance with the Accounting Standards and as per applicable regulatory and statutory norms laid down from time to time. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-current investments.

Investments classified under long term investments need not be marked to market and will be carried at acquisition cost on individual investment basis, unless it is more than the face value, in which case the premium should be amortized over the period remaining to maturity.

Investments classified under Current Investments will be valued at lower of cost and fair value either on individual investment basis or by category of investment. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. The provision for diminution is made to recognize a decline, other than temporary, in the value of investments determined for each investment individually. Reduction in the carrying amount and reversals of such reductions are charged or credited to the profit and loss statement.



On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged or credited to the profit and loss statement. Any amount received in future in respect of these investments will be credited to profit and loss statement. Interest, dividend or other receivables in connection with the investments are considered as income.

1.4. LOANS AND ADVANCES

Advances are classified as performing and non-performing based on the RBI / SIDBI guidelines and are stated net of bad debts write-off. The provisions for possible losses on such advances are made at estimated rates which is equal to or more than the rates prescribed in the prudential norms, circulars and directives issued by RBI/SIDBI. The Current maturity of Loans & advances is classified as Other Current Assets (Note No.14) under the head Current Assets and the non-current portion is classified as Other Non-current Assets (Note No.11) under the head Non-Current Assets. The Current maturity of Long term borrowings is classified as Short term borrowings (Note No.6) under the head Current Liabilities and the non-current portion is classified as Long term borrowings (Note No.3) under the head Non-Current Liabilities.

The Corporation provides Fund based and Non-fund based facilities to the customers. In case a non-fund based limit becomes NPA, its fund based limit also will be considered as NPA. In the reverse scenario, where fund based limit becomes NPA then its non-fund based limit is also categorized as NPA. However, the non-fund based limit will be live till the time it is invoked or cancelled.

Advances that are in Doubtful category are technically written off and charged to revenue account to maintain asset quality. Amount recovered against the bad debts written off in earlier years are recognized in the Profit and Loss Account as income of the year in which such amounts are received.

1.5. PROVISION

A provision is recognized when the Corporation has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and should be determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



1.6. PROVISIONING NORMS AND PROVISION COVERAGE RATIO (PCR)

In conformity with the prudential norms, provisions are given on the basis of classification of assets as prescribed by RBI / SIDBI. The Corporation follows the policy of building up provisioning when the profits are good, which can be used for absorbing losses in a downturn. The provisions are made at such rates as recommended by ALCO with the approval of the Board.

General provisions are the minimum regulatory provisions as prescribed by RBI. Specific provisions are additional provisioning at rates higher than the rates prescribed by RBI. Floating provisions are provisions kept in addition to the Specific provisions and not used for making specific provisions or general provisions as per the extant prudential guidelines. It is used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts.

Provisioning Coverage Ratio (PCR) is the ratio of provisioning to gross non-performing assets and indicates the extent of funds the Corporation has kept aside to cover loan losses. PCR is calculated as per the guidelines given vide RBI circular DBOD.No.BP.BC.64/21.04.048/2009-10 dated December 1, 2009 and circular no. DBOD.No.BP.BC.87/21.04.048/2010-11 dated April 21, 2011.

The Corporation has the provisioning cushions consisting of general provisions, specific provisions as well as floating provisions, and are maintaining a total PCR including floating provisions, which is not less than 70 per cent.

Provision for standard advances are made at such rates subject to the minimum provisioning prescribed by the RBI / SIDBI guidelines for standard advances. Provisions for bad and doubtful debts are made in respect of non-performing advances based on overall portfolio quality, asset growth, economic conditions, Management's assessment and other risk factors subject to the minimum provisioning level prescribed by the RBI / SIDBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, is necessary. In case the specific provision available during a year is more than the required minimum or the ALCO recommended rates, the excess provision can be either written back or can be considered for that year as decided by ALCO. Floating provisions cannot be reversed by credit to the profit and loss account.

During the year the corporation has provided 0.25% for SME sector, 0.40% for Medium /Other sector and 1% for CRE sector for all standard advances and thus provision made is in line with the minimum prescribed by the RBI / SIDBI guidelines. A judicious provision of 77% (77% in FY 2022-23) is made for all Substandard advances including secured portion of loans covered under CGTMSE. For the unsecured and uncovered portion of loans under CGTMSE, 100% provision is made. The total PCR is maintained above 70% at 85.92% as on March 31, 2024.

1.7. TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax Laws used to compute the amounts will be those that are prescribed, at the reporting date. The tax is calculated on income on receipt basis which is consistently followed by the corporation for

the past years and the Income tax department has also accepted the same for assessment purpose. Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws prescribed at the reporting date.

Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax liabilities are recognized for all taxable timing differences. No provision for Deferred Tax Liabilities on Special Reserve created as per Section 36(1) (viii) of the Income Tax Act, 1961 since the reserve created is of having no reasonable certainty that the same would be adjusted / withdrawn in foreseeable future years and the period of time for the difference to be evened out is also not ascertainable.

1.8. EMPLOYEE PAYMENTS AND RETIREMENT BENEFITS

Short-term employee benefits are recognized as expense in the profit and loss account of the year in which the related service is rendered. Terminal benefits to employees include Provident Fund (PF) payments, leave encashment and gratuity.

Defined contribution plan: Retirement benefit in the form of provident fund is a defined contribution plan wherein the contributions are charged to the Profit and Loss Account every year when the contributions to the fund are due and when services are rendered by the employees. The Corporation contributes 12% of Basic Pay+DA+Personal Pay to the Provident Fund which is administered by a duly constituted and approved independent trust by name KFC Employees Provident Fund Trust. The employees will be paid the balance outstanding in their PF account along with interest accumulated thereon at the date of superannuation. The Corporation has no obligation other than the contribution payable to the provident fund in this regard. The employees who joined after 01.04.2018 are not members of this Trust.

Defined Benefit Plan: The Corporation contributes towards gratuity fund administered by Life Insurance Corporation of India (LIC) for eligible employees and is covered under Group Gratuity scheme. The gratuity limit is fixed as per the Payment of Gratuity (Amendment) Act, 2018. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Corporation. Liability with regard to gratuity fund is accrued based on the actuarial valuation and demand raised by LIC. The premium is paid to LIC as demanded by them at the time of renewal of the scheme. The Corporation contributes towards the terminal encashment of earned leave to the employees under the Group Leave Encashment Scheme of LIC. The contribution to the fund is paid as per the actuarial valuation and demand raised by LIC. Under both these schemes, the settlement obligations remain with the Corporation, although LIC administers the schemes and determine the contribution premium required to be paid by the Corporation as per the valuation done by LIC. The Corporation take an independent external actuarial valuation as on 31st March every year to ascertain the position of funds vis a vis liability. The shortfall if any in the funds shall be paid on the basis of actuarial report of LIC / external valuation whichever is less based on the fund position of the Corporation. The contribution made to the fund every year is accounted as expenses

and hence the excess / shortfall amount in the fund if any is not recognised as asset / liability in the Balance Sheet. The Corporation neither recognizes the actuarial gain/loss in the P&L A/c, nor shows the liability/asset of fund in the Balance sheet. The Corporation is following this practice consistently during the past years and LIC has always met the liability in this regard. All the claims for the FY 2023-24 have been settled by LIC.

National Pension Scheme: This is a defined contribution scheme and is applicable to employees who joined the Corporation on or after 01.04.2018. 10% of Basic +DA + Personal Pay will be deducted from the employee's salary and 14% of Basic +DA + Personal Pay (from 01.04.2023) being the Corporation contribution will be credited to the NPS account of the employee on a monthly basis. They will not be eligible for employer PF contribution. The employees who joined before 01.04.2018 are given an option to contribute to NPS in three proportions. The Corporation contributes 14% and such contribution is charged to Profit and Loss Account.

1.9. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

In compliance with amended Schedule III requirements, Fixed Assets are renamed as 'Property plant and equipment and Intangibles'. The gross value of Intangibles, accumulated depreciation and depreciation till date are separately calculated and disclosed in 'Note 9 – Property Plant & Equipment and Intangibles'. The Land value of Rs.11.62 Lakh comprises of properties in the name of the Corporation. Fixed assets are stated at cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase and all expenditure like site preparation, installation costs, professional fees, borrowing costs etc., if capitalization criteria are met and are directly attributable to the cost of bringing the asset to its working condition for the intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Where the asset is acquired in piecemeal and payment is being made in installments, all such payments are debited to 'Advance for fixed assets. When the asset is put to use, the amount so accumulated in advance account is transferred to the respective Asset account.

Individual assets costing up to Rs.5000 and assets in the nature of electronic items up to the value of Rs.10,000 are charged to revenue in full in the year of purchase. Depreciation on fixed assets shall be provided for on written down value (WDV) method and at the rates prescribed under the IT Act, 1961. Computer includes computer software for reporting under the block Plant & machinery as per the IT Act, 1961. Hence Computer software is not shown separately under intangible assets. Depreciation on fixed assets added/disposed of during the year/period is provided on pro-rata basis (that is full depreciation for assets used for more than six months and half depreciation for others) with reference to the date of addition/disposal.

1.10. CONTINGENT LIABILITIES AND ASSETS

A disclosure of contingent liability on Balance sheet date is made when there is:

-a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or nonoccurrence of one or more uncertain future events not within the control of the Corporation; or

-a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Provisions and contingent liabilities are reviewed on each balance Sheet date. Contingent assets are neither recognized nor disclosed in the Balance Sheet.

1.11. GRANTS AND SUBSIDIES

Grants and subsidies from Government and other agencies are accounted as per terms of respective agreements. The undisposed portion of subsidies to loanees with respect to State subsidy is kept as other current liabilities and all other subsidies like Coconut Development Board Subsidy, Norka Subsidy, Central Subsidy etc are shown as Non- Current Liabilities and will be disposed subject to the satisfaction of terms and conditions thereof by the beneficiaries. For back ended subsidies with 'lock in' period, interest credit is calculated during such period and is credited to the loan account of such beneficiaries at the applicable interest rates.

1.12. LEASES

Operating lease rent payments and receipts are recognized as expense and income respectively in the statement of profit and loss every month as and when accrued or paid/received. Actual lease payments made during the year, unexpired portion of contracted lease (future expected lease payments) and provision for contingent rent if any recognized in P&L are disclosed where the Corporation is a lessee. Actual lease rent receipts recognized during the year and unexpired portion of contracted lease (future expected lease receipts) if any are disclosed. As a matter of prudence, no contingent rent is recognized in the P&L where the Corporation is a lessor.

1.13. PRIOR PERIOD ITEMS

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The nature and amount of prior period items are separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived.

1.14. EXTRAORDINARY ITEMS

Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. Extraordinary items are disclosed in the statement of profit and loss as a part of net profit or loss for the period in a manner that its impact on current profit or loss can be perceived.

1.15. SPECIAL RESERVE FUND

As per Section 35A of the SFC Act 1951, the SFC is required to establish a Special Reserve Fund to which shall be transferred such portion of the dividends accruing to State Government and the SIDBI on the shares of the SFC as may be fixed by agreement between State Government and SIDBI for being used for such purposes as are approved by the State Government and SIDBI. Accordingly a rate of 0.50% of the dividend accruing to State Government and SIDBI will be transferred to Special reserve fund under

Section 35A of SFC Act 1951. However, the dividends from FY 1991-1992 till FY 2018-19 were declared and paid without transferring 0.50% of dividend accruing to State Government and SIDBI to Special Reserve U/s 35A.

1.16. DIVIDEND

Dividend is the share of profits that is payable to each shareholder of the Corporation. The dividend is paid out of current year profits only on the paid-up capital. The Board recommend the percentage of dividend payable on the equity shares and the shareholders at the Annual general meeting pass a resolution adopting the recommendation or may lower the percentage recommended. The dividend proposed by the Board is provided for in the financial statements of the Corporation and is paid only after it has been passed at the Annual General Meeting of the shareholders.

1.17. RESOURCE MOBILIZATION

The Corporation mobilizes resources from banks/ financial institutions as Term loan/ Working Capital Demand Loan/ Overdraft/ Foreign Currency Loan. The loans from Banks and other financial institutions are secured by charge on receivables as primary security for the loan. There are no other charges created on any of the assets of the Corporation on account of borrowings. The Corporation mobilizes funds from debt market also by issuing Rated, Listed, Redeemable, Taxable, Non-Convertible Bonds with government guarantee or with credit enhancement mechanism without government guarantee.

These are accounted as Short Term Borrowings and Long Term Borrowings from Banks/ FIs and Non SLR Bond Issues. The Current maturity of Long term borrowings is classified as Short term borrowings under the head Current Liabilities and the noncurrent portion is classified as Long term borrowings under the head Non Current Liabilities.

1.18. CASH FLOW STATEMENT

Cash Flow statement is prepared on indirect basis as per AS 3 issued by ICAI and is part of the Annual accounts. The cash flow statement report cash flows during the period classified by operating, investing and financing activities. The Non-SLR Bonds issued by the Corporation are considered as cash flow from financing activity.

1.19. EARNINGS PER SHARE

The Corporation presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the net income attributable to shareholders of the Corporation by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the net income attributable to equity shareholders and the weighted average number of equity shares outstanding adjusted for the effect of all dilutive potential equity shares, including advance for share capital.

2. NOTES FORMING PART OF ACCOUNTS

2.1 SHARE CAPITAL

The State Government vide GO(Ms) No.59/2023/Fin dated 30.03.2023 accorded sanction to enhance the Authorized share capital of the Corporation from ₹50,000 Lakh to ₹1,00,000 Lakh without diluting Government shares below 74%. To strengthen the capital base and streamline equity position and networth of the Corporation, the Government has released ₹10,000 Lakh on 06.03.2024 vide GO.(Ms) No.24/2024/Fin dated 29.02.2024 and GO.(Ms)No.26/2024/Fin dated 04.03.2024. The shares to Government of Kerala were allotted on 12.03.2024 by the Board in its 625th Meeting. The paid up capital is therefore increased to ₹72,650.43 Lakhs

1.The details of shareholders holding more than 5% shares as on 31.03.2024 are as under:

Name of the Share-holders	As at 31.03.2024		As at 31.03.2023	
	No. of shares in Lakh	% to total shares	No. of shares in Lakh	% to total shares
Government of Kerala	720.27	99.142	620.27	99.01

2.The shares held by the promoters as on 31.03.2024 are given below in compliance with Schedule III requirements.

Shares held by promoters at the end of the year				% Change during the year
Sl.No	Name of Promoter	No. of shares in Lakh	% of total shares	
1	Government of Kerala	720.27	99.142	0.1369
2	SIDBI	6.13	0.844	(0.1347)
3	LIC	0.07	0.010	(0.0015)
4	SBI	0.02	0.003	(0.0004)
5	Others	0.01	0.001	(0.0002)
	Total	726.50	100.00	

3. EARNINGS PER SHARE

Calculation of EPS	31.03.2024	31.03.2023
a. Net profit including prior period items and extraordinary items after deducting current tax expenses	7404.39	5,299.60
b. Number of Equity Shares outstanding (face value of Rs.100/- each)	726.50	426.50
Basic earnings per share (a) / (b)	10.19	12.43
c. Average number of weighted equity shares (As the shares are fully allotted, no change in equity)	726.50	427.05
Diluted Earnings per share (a) / (c)	10.19	12.41

2.2 ASSET CLASSIFICATION AND PROVISIONING

1) CLASSIFICATION OF LOANS AND ADVANCES & BORROWINGS

The bifurcation of Loans & Advances and Borrowings due within 1 year and above 1 year is given below.

₹ in Lakh			
Classification	Due within 1 year	Above 1 year	Total
Loans & Advances	1,69,753.85	5,67,078.86	7,36,832.71
a) Bills purchased and discounted	50,380.76	0	50,380.76
b) Term Loans	1,19,373.09	5,67,078.86	6,86,451.95
Borrowings	1,64,994.69	5,59,821.78	7,24,816.47

2) LOANS AND ADVANCES RESTRUCTURED :

The Corporation has restructured 78 loan accounts during the year amounting to ₹3,898.93 Lakh of which (i) 6 loan accounts amounting to ₹923.09 Lakh are classified under standard category on account of extension of DCCO with additional provision of 10% (minimum norms is 10%) amounting to ₹92.31 Lakh (ii) 72 loan accounts amounting to ₹2,975.85 Lakh are classified under Substandard category with provisioning of 77% amounting to ₹2,291.40 Lakh.

The Corporation had restructured loan accounts and classified under Standard category as per RBI guidelines in FY 20-21 and FY 21-22, of which 383 loan accounts amounting to ₹34,669.02 Lakh is outstanding as on 31.03.2024. Additional provision of 10% (minimum norms 5%/10%) amounting to ₹3,466.90 Lakh is kept in respect of these accounts as below.

- 68 loan accounts amounting to ₹12,040.68 Lakh in accordance with the COVID 19 pandemic resolution framework prescribed by RBI for Micro, Small and Medium (MSME) sector vide Circular no. DOR.No.BP.BC /4/21.04.048/2020-21 dated August 6, 2020. Additional provision of 10% (minimum norms is 5%) amounting to ₹1,204.07 Lakh has been made on these loans.
- 315 loan accounts amounting to ₹22,628.35 Lakh under Resolution framework for Covid-19 related stress as per RBI Circular dated May 5, 2021 (Resolution framework 2.0). Additional provision of 10% (minimum norms) amounting to ₹2,262.83 Lakh has been made on these loans.

During the year there was no diminution in the fair value of restructured advances.

3) BAD DEBTS WRITTEN OFF

During the year the corporation has written off 663 loan accounts amounting to ₹13,301.37 Lakh as bad Debts (technical write off to maintain asset quality) (508 accounts amounting to ₹10,494.61 Lakh written off during FY 2022-23). Further the Corporation has actually written off ₹8.21 Lakh during the year (₹46.30 Lakh during FY 2022-23). Thus the total bad debts written off amounts to ₹13,309.58 Lakh during the year (₹10,540.90 Lakh during FY 2022-23). Constructive steps have been initiated for the recovery of these accounts and the amounts as and when recovered are treated as revenue. ₹11,179.87 Lakh have been received as recovery from loans technically written off in earlier years (₹10,027.78 Lakh during FY 2022-23). As on 31.03.2024, the balance outstanding of technically written off bad debts pending to be recovered amount to ₹84,671.34 Lakh.

4) LOAN RECOVERY EXPENSES

Rs.202.66 Lakh (Rs.191.45 Lakh during FY 22-23) are also written off and is shown under Loan Recovery

expenses under Notes 17. This pertains to the amounts charged in the loan accounts on account of expenses related to loans written off in earlier years.

5) PROVISIONING

The corporation has provided 0.25% for SME sector, 0.40% for Medium sector and 1% for CRE sector and thus provision made is in line with the minimum prescribed by the RBI / SIDBI guidelines for standard advances. For non-performing assets , a judicious provision of 77% (77% in FY 2022-23) is made for all Substandard advances including secured portion of loans covered under CGTMSE. For the unsecured and uncovered portion of loans under CGTMSE, 100% provision is made. The total PCR works out to 85.92% as on 31st March 2024 (84.89% as on 31st March 2023) as per the RBI circular DBOD.No.BP.BC. 64 /21.04.048/2009-10 dated December 1, 2009 and Circular no. DBOD.No.BP.BC. 87 /21.04.048 /2010-11 dated April 21, 2011.

₹ in Lakh

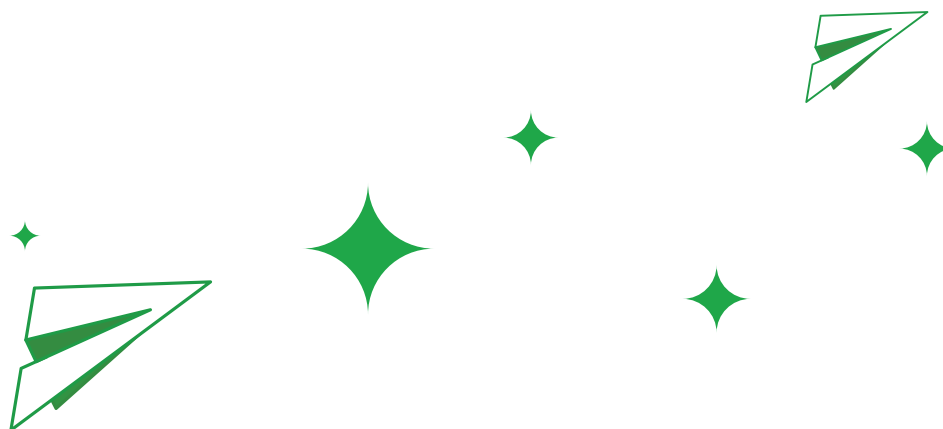
Provisioning Coverage Ratio (PCR) as on Mar 31, 2024				
1	2	3	4	5
SI No	Particulars	Gross NPA Plus Technical / Prudential Write-off *	Specific Provisions held including provisions for diminution in fairvalue of the restructured accounts classified as NPAs plus Technical write off	Ratio of (4) to (3)
1	Sub-Standard Advances	21218.47	3252.41	15.33
2	Doubtful Advances (a+b+c)	13301.37	13301.37	100.00
	a < 1 year	13301.37	13301.37	100.00
	b 1-3 Years	0.00	0.00	
	c >3 years	0.00	0.00	
3	Advances classified as Loss Assets	0.00	0.00	
4	Total	34519.84	16553.78	47.95
5	Floating Provisions for Advances (only to the extent they are not used as Tier II Capital)			13104.66
6	DICGC / ECGC claims received and held pending adjustment			0
7	Part payment received and kept in Suspense Account or any other similar account			0
8	Total (Sum of column 4 of Row 4+ Row 5 + Row 6+ Row 7)			29658.44
9	Provision Coverage Ratio {(Row 8/Total of Column 3 of Row 4)*100}			85.92

If the minimum provision required as per the RBI norms is made, the provision needed is only ₹8,700.68 Lakh, whereas the Corporation has provided an additional provision of ₹13,752.85 Lakh over and above the minimum RBI stipulated norms amounting to ₹22,453.53 Lakh.

- a. The corporation has provided ₹2,537.25 Lakh for all standard advances which is the minimum provision required as per the RBI / SIDBI guidelines.
- b. The Corporation has prudently maintained additional provision of 10% (minimum norms is 5%/10%) amounting to ₹3,559.21 Lakh in respect of 389 loan accounts which are restructured as per RBI guidelines and classified under Standard category as mentioned in Note 2.2 (2) above.
- c. The provision made in respect of Sub-standard category advances is Rs.16,357.07 Lakh. During the year, all the doubtful advances amounting to Rs.13,301.37 Lakh are technically written off and charged to revenue account to maintain asset quality.

The total provision available during the FY was ₹22,318.44 Lakh and additional provision of ₹135.09 Lakh is made during this FY. The Operating profit before write off is ₹24,098.66 Lakh (₹24,142.61 Lakh during PY). The Operating profit after write off is Rs.10,789.08 Lakh (₹13,601.70 Lakh during PY) and Net profit is ₹7,404.39 Lakh (₹5,018.64 Lakh during PY). The Gross NPA and Net NPA as on March 31,2024 are 2.88% and 0.68% respectively as against 3.11% and 0.74% as on March 31,2023.

In accordance with the guidelines of RBI/SIDBI on asset classification, all loans and advances have been classified into Standard, Sub Standard and Doubtful Assets and provisioning is made as under.



SI No	Category of Assets	Minimum provision required (%) as per RBI norms		Provision actually made (%) and amount			
				During FY 23-24		During FY 22-23	
		%	Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)
1	Standard Assets- Micro & Small	0.25	871.58	0.25	871.58	0.25	817.33
	Standard Assets- Medium	0.40	1336.11	0.40	1336.11	0.40	1098.22
	Standard Assets- CRE	1	329.56	1	329.56	1	311.18
2	Additional provision for loans restructured as per RBI resolution framework for MSME sector vide Circular no. DOR. No.BP.BC /4/21.04.048/2020-21 dated August 6, 2020	5	602.03	10	1204.07	5	725.82
3	Additional provision for loans restructured as per RBI resolution framework 2.0 for Covid-19 related stress as per RBI Circular dated May 5, 2021	10	2262.83	10	2262.83	10	3379.08
3	Additional provision for loans restructured as per RBI guidelines on account of extension of DCCO during the FY 22-23	5	46.15	10	92.31	5	310.13
4	Sub Standard Assets	15	3133.61	77	16085.87	77	15417.02
	Sub Standard Assets- CGTMSE (Secured portion)	15	36.87	77	189.27	77	181.22
	Sub Standard Assets-CGTMSE (Un Secured portion)	100	81.93	100	81.93	100	78.45
5	Doubtful Assets (up to 1 year)	25	NA	NA	NA	NA	NA
Total Provision made		8700.68		22453.53		22318.44	

6) DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAS

With reference to RBI circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, the divergence in asset classification and provisioning for NPA s for FY 2022-23 is given below.

		₹ in Lakh
SI No.	Particulars	Amount
1.	Gross NPAs as on March 31, 2023 as reported by the Corporation	20335.90
2.	Gross NPAs as on March 31, 2023 as assessed by RBI/ SIDBI	20335.90
3.	Divergence in Gross NPAs (2-1)	Nil
4.	Net NPAs as on March 31, 2023 as reported by the Corporation	4659.21
5.	Net NPAs as on March 31, 2023 as assessed by RBI/ SIDBI	4659.21
6.	Divergence in Net NPAs (5-4)	Nil
7.	Provisions for NPAs as on March 31, 2023 as reported by Corporation	22318.44
8.	Provisions for NPAs as on March 31, 2023 as assessed by RBI/ SIDBI	22318.44
9.	Divergence in provisioning (8-7)	Nil
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	5018.64
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after taking into account the divergence in provision- ing	5018.64

7) ASSETS TAKEN OVER UNDER SECTION 29

During the year 8 units were taken over with Principal outstanding of Rs.3493.73 under section 29 of the SFC Act, 1951.

8) RECOVERY UNDER COMPROMISE SETTLEMENT POLICY

During the year, the Board of the Corporation at its meeting held on 21.09.2023 approved Loan Compromise Settlement Policy (LCSP) to settle NPA loans. CS was sanctioned in 73 cases under the scheme for ₹12564.07 lakh and 33 cases were settled amounting to ₹3259.72 lakh as of 31.03.2024. The total collection including advance under CS is ₹4899.46 lakh.

9) UNITS UNDER IBC ,2016

The Corporation has filed an Insolvency Petition under The Insolvency and Bankruptcy Code, 2016 against M/s.Sree Sankara Community for Ayurveda Consciousness Limited for a claim of ₹2739.35 lakh. There are 5 other units financed by the Corporation and undergoing

the process of CIRP/Liquidation on the basis of petitions filed by other Financial Creditors. The total claim admitted in favour of the Corporation in such cases amounts to ₹1802.81 Lakh.

10) PHYSICAL POSSESSION UNDER SARFAESI ACT 2002

The Corporation has taken physical possession of 4 units with Principal outstanding of ₹2338.54 Lakh under SARFAESI during the year.

11) REVENUE RECOVERY

During the year the Corporation has initiated Revenue Recovery action against 125 units with a demand issued for ₹29872.61 Lakh.

2.3 PROJECTS WITH SUBSIDIES

a) KSEDM

KSEDM scheme was launched by Government of Kerala with KFC as the nodal agency to support young entrepreneurs in setting up new enterprises. The maximum eligible loan amount under this scheme was ₹20 Lakh without any interest with a repayment period of 5 years. The scheme was in operation from 2011 to 2017. The Corporation had received ₹6233.20 lakh from Govt. of Kerala for meeting the interest / expenses in connection with KSEDM till FY 23-24. ₹6233.92 lakh which includes current year interest of ₹0.71 Lakhs, has been spent till 31.03.2024 for the KSEDM project.

b) Chief Minister's Entrepreneurship Development Programme (CMEDP)

The scarcity of capital and inadequate availability of credit facilities are the major problems confronted by small entrepreneurs. Under the above backdrop, Govt. of Kerala has launched a special scheme called Chief Minister's Entrepreneurship Development Programme (CMEDP). Initially the scheme was envisaged with a maximum loan amount of ₹50 Lakh with a repayment period upto 5 years at an interest rate of 7%, where 3% interest subvention is provided by Govt. of Kerala. During 2021-22, the Corporation sanctioned assistance worth ₹1020.19 Lakh to 67 units and disbursed ₹734.12 Lakh to 58 units under this scheme.

In November 2021, the scheme was revised to assist 500 MSME units every year and the loan amount was increased from ₹50 lakh to ₹200 lakh and the interest rate was reduced from 7% to 5%. The Govt of Kerala provides 3% as interest subvention under the scheme. During the FY 2023-24, the Corporation has sanctioned assistance worth ₹28585.39 Lakh to 315 units and disbursed Rs.28182.14 Lakh under this scheme. ₹1434.35 Lakhs is receivable from the Govt as interest subsidy as on 31.03.2024 of which ₹1054.86 pertain to FY 2023-24 and ₹379.48 lakh pertain to FY 22-23.

c) NORKA (NDPREM) scheme

NORKA ROOTS has formulated 'Norka Department Project for Rehabilitation of Return Emigrants' (NDPREM) Scheme' for returned immigrants. They will be eligible for Capital subsidy of 15% of project cost (Maximum ₹3 Lakh) and interest subvention of 3% by NORKA ROOTS. During the year, the Corporation has disbursed ₹1057.62 Lakh to 93 units under this scheme. ₹146.94 Lakh is received as capital subsidy from NORKA Roots as on 31.03.2024.

d) Start up loans – Comprehensive Scheme for financing Start ups

The Corporation started a Comprehensive Scheme for Financing Startups named 'Startup Kerala' to assist Startups during all stages of their growth starting from Productization/ Commercialization/ Scaling Up, Financing Working Capital Requirements of Startups for Executing Purchase/ Work Orders, Seed Loan Assistance to Startups for developing socially relevant products, Venture Debt etc. A pool of ₹50 Crore was set aside for this purpose. The maximum assistance is ₹25 lakh for productization, up to ₹50 lakh for commercialization and up to ₹100 lakh for Scaling up, subject to 90% of the project cost at each stage. Further, there are provisions for easy finance for executing Purchase Orders, discounting Bills and also for availing Venture Debt funding up to ₹1000 lakh. During the year, , the Corporation sanctioned ₹2059 lakhs to 10 Start-up units and disbursed ₹2555.46 Lakh.

e) KFC Agro-based MSME Loan Scheme (KAMS)

Agro-based industries can play an important role in contributing to the overall development of the economy. The Hon. Finance Minister, in the Budget Speech 2022-23, had announced a Special Scheme for MSMEs in Agriculture Sector through KFC. The Government of Kerala has accorded administrative sanction for financing MSMEs in Agriculture Sector. Accordingly, the Corporation approved a special loan scheme for MSMEs in Agriculture Sector and the Scheme is named 'KFC Agro-based MSME Loan Scheme' (KAMS). The Government have extended the validity of the Scheme for the FY 2023-24. The rate of interest of the loans under the Scheme is 6% where 3% subsidy is given by the Govt of Kerala. During the FY 2023-24, the Corporation has sanctioned assistance worth ₹4984.00 Lakh to 11 units and disbursed ₹2303.74 Lakh under this scheme.

f) Scheme For Assisting Traditional Fisherman to Procure Mechanized Deep Sea Fishing Vessel

This scheme was devised for promoting deep-sea fishing with the aim to increase overall fish production in a responsible and sustainable manner. The assistance will be made available for deep-sea fishing vessels through their societies. The Government of Kerala has accorded administrative sanction for "providing Mechanized Deep Sea Fishing Vessel to Traditional Fishermen of Kerala", under PMMSY, with an additional State subsidy. As per the GO, the beneficiary contribution comes to ₹71.40 lakh, which is proposed to be arranged as a loan from the Corporation under CMEDP scheme. The scheme envisaged with a maximum loan amount of ₹70 Lakh with a repayment period upto 5 years at an interest rate of 5%, where 3% interest subvention is provided by Govt. of Kerala. During the FY 2023-24, the Corporation has sanctioned assistance worth ₹420.00 Lakh to 6 units and disbursed ₹342.66 Lakh under this scheme.

2.4 INVESTMENTS

Out of the investments of ₹126.44 Lakh, provision for diminution in value of investments of ₹74.38 Lakh have been provided for investments other than KITCO, Kerala Infrastructure Fund Management Ltd and India SME Asset Reconstruction Co.(ISARC), being the value of investment in respect of companies under liquidation. The Corporation has decided to divest the stake in ISARC at ₹13.60 per share as per the present divestment proposal which is under process. For KITCO and Kerala Infrastructure Fund Management Ltd, the Corporation have valued the shares on the basis of latest available financial statements and found that the values are above book value.

The Corporation had invested ₹6080 Lakh in April 2018 in Secured Redeemable NCDs issued by M/s. RCFL as part of compliance of Non SLR Bond Issue Series 2018. Considering the resolution process in the company, the Corporation has made 100% provision for the principal amount in excess of whatever amount received as a matter of prudence.

The Corporation also hold investment in NCDs amounting to ₹6199.47 Lakh in compliance with the covenant requirements of KFC Non SLR Bond Issue Series 2019 and 2020.

2.5 INCOME TAX ASSESSMENTS

Income tax return is filed up to Assessment year 2023-24. Assessment have been completed up to Assessment year 2023-24. Appeals filed by the Corporation are pending before Commissioner (Appeals) for the Assessment years 2009-10, 2012-13, 2013-14, 2014-15, 2016-17 and 2018-19. Writ petition filed by the Corporation for Assessment Years 1993-94 and 1995-96 have been remanded to the Chief/ Additional Commissioner for deciding the matter afresh.

2.6 DEFERRED TAX LIABILITIES

The break-up of deferred Tax Liabilities / Assets in to major components of the respective balances is as given below:-

₹ in Lakh

Particulars	As on 31.03.2023	For the FY 2023-24	As on 31.03.2024
On Depreciation	49.57	-6.40	43.17
On income not received	-1,672.18	-693.40	-2,365.58
On outstanding expenses	1,890.26	110.55	2,000.81
	267.65	-589.25	-321.60

2.7 INDIRECT TAXES

Service tax

Service Tax was replaced by GST from July 2017. Litigations under Service Tax regime was settled through Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) except for OIO No.03/2018-19 dated 22.05.2018 with a demand of ₹64.82 Lakhs, pending with CESTAT, Bangalore and OIO No.09/ST(DC)/DIV/2021-22 dated 28.07.2021 with a demand of ₹30.53 Lakh pending for disposal with Commissioner (Appeals). SCN 08/2019/ST dated 11.04.2019 is pending with the Jurisdictional Assessing Officer for disposal.

Goods and Service Tax (GST)

GST was implemented all over the country w.e.f 01.07.2017. All the indirect tax registrations of Branch offices and Head Office are brought under one common registration under GST and is managed centrally from Head Office. The Annual Returns under GST regime, GSTR 9 and GSTR 9C are filed till FY 2022-23. SCN 95/2022-23(GST) dated 31.03.2023 was served on the Corporation with a demand of ₹83.00 Lakhs in the matter of chargeability of GST under RCM against establishment charges of Revenue recovery staff reimbursed to Govt. The matter is pending with Commissioner (Appeals) for disposal.

2.8 RELATED PARTY DISCLOSURES AS PER AS 18

A. List of Related Parties

- Holding Company - NIL
- Subsidiary Companies - NIL
- Key Managerial Personnel – Sri Sanjay Kaul IAS , Chairman and Managing Director (from 01.06.2021 till 27.03.2024), Sri Premnath Ravindranath, Managing Director (i/c) (from 27.03.2024), Smt.Soya K -Financial Controller, Sri.Ram Ganesh R Company Secretary (from 14.12.2023)

B. Related party Transactions

No remuneration is paid to Sri.Sanjay Kaul IAS during the year.

Salary and other perquisites

Shri Premnath Ravindranath (Executive Director) – ₹31.24 Lakhs

Smt Soya K (Financial Controller) – ₹23.08 Lakhs

Shri Ram Ganesh R (Company Secretary) – ₹2.84 Lakhs (from 14.12.2023)

2.9 IMPAIRMENT OF ASSETS

The fixed assets are carried at written down value (WDV) consistently using appropriate depreciation rates. All other operating assets are carried at current / transaction value. In accordance with AS 28 – Impairment of Assets, an annual assessment was made on 31.03.2024, as to whether there is any indication that an asset or a class of assets is 'impaired' and since there were no incidences of such impairment indicators, no provision has been made.

2.10 ADVANCE FOR FIXED ASSETS.

The Advance for Fixed assets of ₹121.64 Lakh represents those amounts spent on fixed assets but is not ready for use as on 31.03.2024. This includes ₹74.86 Lakhs paid to KADCO as advance payment for renovation of Ernakulam Branch Office. During the Year 2022-23, ₹24.53 lakhs paid to M/s Saraswat Infotech Pvt Ltd, towards advance payment for the implementation of Finacle Core Banking Solution in the Corporation was included in advance payment against fixed assets. Since Saraswat Infotech Pvt Ltd (SIL) was not able to deliver the Finacle CBS on due date as committed, the contract was terminated as per the decision of the Board dated 10.11.2022 and SIL has refunded the full amount of ₹26.55 Lakhs being advance for assets initially billed along with a compensation of ₹0.96 Lakhs.

2.11 SEGMENT REPORTING

The Corporation operates as a single unit with a single profit center and has concentrated its activity on term lending only as a single product.

A. Primary Segment (The Business Segment)

The Corporation operates mainly in the business segment of providing financial assistance to MSME and other sectors. All other activities revolve around the main business. Further, all activities are carried out within Kerala. As such, there are no separate reportable segments as per the provisions of AS 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

B. Secondary Segment (The Geographical Segment)

The area of operation of the Corporation is confined within the state of Kerala. As a result separate segment information for different geographical segments is not required.

2.12 CONTINGENT LIABILITIES

The contingent liabilities as on 31.03.2024 are estimated as under

- On account of Income Tax ₹290.21 Lakh
- On account of suits filed against the Corporation ₹110.57 Lakh
- On account of Service Tax & GST ₹178.36 Lakh
- On account of guarantees issued on behalf of Government contractors in Kerala- ₹21754.07 Lakh

2.13 ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

Assets acquired in satisfaction of claims amounting to ₹400.34 Lakh relates to M/s.Jayalakshmi Builders, Thiruvananthapuram and is retained as such. The acquisition was done in the financial year 2008-09 and accounted as recovery from NPA account in that financial year. This amount will not affect the current or previous year profits reported in the current financial statements. This asset is tested for impairment and found that the present realizable value is ₹691.75 Lakh (valuation dated 27.10.2023) which is more than its book value. Though E-sale was posted twice during the year ,no bidders were there. The Corporation has retained the amount in non-current assets expecting settlement and as an additional support to the claims.

2.14 SUSPENSE ACCOUNT

The amount outstanding in Suspense Account amounting to ₹315.33 Lakh as on 31.03.2024 comprises of unidentified credits received in loan accounts during year end, amount retained as per court orders and amount to be refunded in respect of contractor loans. The balance amount lying in Suspense account as on date is being rectified.

2.15 SECURED / UN-SECURED LOANS.

The Corporation mobilizes resources from banks/ financial institutions as Term loan/ Working Capital Demand Loan/ Overdraft/ Foreign Currency Loan. During the year the Corporation availed loans amounting to ₹2,16,014.49 Lakh and repaid ₹1,49,132.22 Lakh. The loan outstanding as on 31.03.2024 is ₹5,73,712.97 Lakh out of which ₹1,72,349.91 Lakh is foreign currency loans taken from State Bank of India & South Indian Bank for tenors not exceeding 183 days on a fully hedged basis. All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. The premium amortised during the year ended March 31, 2024 is ₹2,832.28 Lakh and the deferred premium as on March 31, 2024 is ₹1,202.86 Lakh. The balance outstanding of Foreign Currency Loan as on March 31, 2024 reinstated at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India (FEDAI) as on March 31, 2024 is ₹1,72,483.22 Lakh after adjusting the notional forex loss of ₹133.31 Lakh.

2.16 NON SLR BONDS

The Corporation has listed the following NCDs in the Bombay Stock Exchange and the annual listing fees has been paid. The NCDs issued without Government guarantee are rated AA(SO) by two RBI / SEBI approved rating agencies. The Corporation remains the only PSU in the State, raising funds

from the bond market, without Govt. guarantee. The total outstanding bonds of KFC as on 31.03.2024 aggregate to ₹1,50,970.00 Lakh as given below.

₹ in Lakh

SI No	Issue Date	Coupon	Amount Issued	Amount Outstanding	Maturity Date	Credit Rating	Asset Cover+
1	13-Mar-24	8.89%	30700.00	30700.00	13-Mar-34	AA	100%
2	02-May-23	8.63%	27350.00	27350.00	24-Mar-33	AA	100%
3	24-Mar-23	8.90%	47650.00	47650.00	24-Mar-33	AA	100%
4	14-Sep-20	7.70%	25000.00	25000.00	14-Sep-30	AA	110%
5	09-Jul-19	8.99%	25000.00#	18750.00	09-Jul-26	AA	125%
6	04-Apr-18	8.69%	25000.00#	1520.00	04-Apr-25	AA	125%
		TOTAL	180700	150970			

Partial Redemption done

+ Asset cover maintained as per issue terms (secured by receivables)

In order to enable Debenture Trustees to take prompt action for enforcement of security in case of default in listed debt securities, a 'Recovery Expense Fund'(REF) equal to 0.01% of the issue size subject to maximum of ₹25 Lakh shall be created, as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22nd October 2020 which shall be utilized in a manner decided by holders of securities in case of default. The provisions of this circular were made applicable w.e.f. January 2021 and accordingly the amount deposited by Corporation towards REF with BSE as on March 31, 2024 is ₹18.57 Lakh.

2.17 EMPLOYEE EXPENSES

The total Employee benefits and expenses for the year amount to ₹4464.00 Lakh (₹3083.01 Lakh during FY 22-23). This includes Employee Pay & Allowances for the year of ₹3905.18 Lakh (₹2737.00 Lakh during FY 2022-23). Pay revision is implemented in the Corporation w.e.f 01.07.2021. Govt has declared 2% increase in the DA of employees w.e.f 01.01.2021. The Employee pay and allowances include a provision of ₹940.30 Lakhs being pay revision arrear and DA arrear which is paid in the next financial year.

2.18 EMPLOYEE PAYMENTS AND RETIREMENT BENEFITS

The Corporation contributes towards Group gratuity Scheme and Group Leave Encashment Scheme administered by Life Insurance Corporation of India (LIC) for eligible employees as per the actuarial valuation and demand raised by LIC and are reckoned as expenditure for the concerned period.

The Summary of actuarial assumptions used in valuation is as below.

- Discount rate 6.97%
- Salary escalation rate 5.00%
- Employee turnover rates - 2%
- Mortality rates - IALM 2012-14

The Fair value of the Plan assets and the Present value of obligations as at March 31, 2024 for both the schemes is as below.

₹ in Lakh

Particulars	PV of obligation	Fund value
Group gratuity Scheme	1205.17	1237.95
Group Leave Encashment Scheme	799.69	1122.84

The Calculation of Liability/(asset) for both the schemes is as below

₹ in Lakh

SI No	Particulars	Gratuity	Leave encashment
1	Defined Benefit Obligation	1,205.17	799.69
2	Fair value of plan assets	1,237.95	1,122.84
3	Funded status -(surplus)/deficit	(32.78)	(323.15)
4	Unrecognised past service (cost)/credit	-	-
5	Liability/(asset)	(32.78)	(323.15)

The Calculation of actuarial gain/loss for both the schemes is as below.

₹ in Lakh

SI No	Particulars	Gratuity	Leave encashment
1	Current service cost	56.54	162.75
2	Interest cost	76.7	39.85
3	Expected return on plan assets	(91.06)	(66.64)
4	Actuarial loss/(gains)	71.37	69.80

The contribution made to the fund is accounted as expenses and the excess amount in the fund is not recognised as asset in the Balance Sheet as per the accounting practice followed.

2.19 RR CHARGES PAYABLE

The Corporation reimburses the remuneration paid by Government to Revenue Recovery staff who are officiating in the Corporation. The amounts have been paid for till FY 2013-14. Provision of ₹952.22 Lakh has been made for the payment due from FY 2014-15 to FY 2022-23 as on 31.03.2023. The provision for the year 2023-24 is kept as ₹60 Lakhs based on the calculations for last year. Hence as on 31.03.2024 the total amount provided is ₹1012.21 Lakh, break up is as below.

Year	₹ in Lakh
FY 2014-15	94.54
FY 2015-16	100.47
FY 2016-17	150.76
FY 2017-18	157.92
FY 2018-19	157.00
FY 2019-20	135.86
FY 2020-21	49.86
FY 2021-22	60.80
FY 2022-23	45.00
FY 2023-24	60.00
Total	1012.21

The establishment charges have not been paid as there is dispute in the calculations made by the Corporation and demand given by the Revenue Department.

2.20 INTEREST INCOME AND REBATE

The rebate to customers for prompt payment is deducted from interest income for reporting in the financial statements during the year. The interest received on loans and advances and Interest rebate extended on loans during FY 23-24 are ₹69,802.63 Lakh and ₹1,617.62 Lakh (₹55443.83 Lakh and ₹1079.42 Lakh during FY 22-23) respectively.

2.21 COMMISSION ON PERFORMANCE GUARANTEES ISSUED

The commission on performance guarantee provided is collected upfront from the customers for the full tenure of guarantee period. However, the commission in respect of the unexpired portion of the guarantee is reversed at the year end. During the FY, total commission collected upfront from Performance guarantees issued (including extension of Performance guarantees issued in previous FYs) amounts to ₹619.00 Lakh (₹408.19 Lakh during the FY 22-23), out of which ₹196.25 Lakh pertains to this FY (₹93.13 Lakh during the FY 22-23) and ₹422.74 Lakh (₹315.06 Lakh during the FY 22-23) pertains to future FYs.

Out of the unexpired portion of Commission accounted during:

- a. FY 2022-23 (₹315.06 Lakh), ₹168.02 Lakh is recognized as income during this year
- b. FY 2021-22 (₹88.96 Lakh), ₹18.96 Lakh is recognized as income during this year
- c. FY 2020-21 (₹73.35 Lakh), ₹13.70 Lakh is recognized as income during this year
- d. FY 2019-20 (₹89.48 Lakh), ₹10.91 Lakh is recognized as income during this year.

Thus, the total income recognised during the year is ₹407.85 Lakh.

2.22 AGEING OF TRADE PAYABLES AND TRADE RECEIVABLES

The Ageing of trade payables and trade receivables in compliance with amended Schedule III is NIL.

2.23 PROVISION FOR INCOME TAX

The income tax comprises of current and deferred tax. The provision for income tax is made as per the income tax rules and previous income tax assessments. The tax is calculated on income on receipt basis which is consistently followed by the corporation for the past years and the Income tax department also accepted the same for assessment purpose. The deferred tax assets and liabilities are recognised, for the expected tax consequences of temporary / timing differences between the WDV of assets, accrued income and expenditure.

Taxable income calculated as per IT Act	-	₹10570.34 Lakh
Income tax thereon	-	₹2660.34 Lakh

2.24 DIVIDEND AND SPECIAL RESERVE FUND

The Board of Directors has proposed a dividend of 5% (Previous year -5%) for the year ended March 31, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Capital adequacy ratio after considering the impact of proposed dividend is 24.69% as at March 31, 2024.

As per Section 35A of the SFC Act 1951, 0.50% of the dividend accruing to State Government and SIDBI amounting to ₹18.16 Lakh will be transferred to Special reserve fund.

2.25 GRANTS AND SUBSIDIES

The receipts in the nature of grants and subsidies received are utilized for the purpose for which the same is granted. The undisposed portion of subsidies to loanees with respect to State subsidy is kept as other current liabilities and all other subsidies like Coconut Development Board Subsidy, Norka Subsidy, Central Subsidy etc are shown as Non Current Liabilities. For back ended subsidies with 'lock in' period, interest credit is calculated during such period and is credited to the loan account of such beneficiaries at the applicable interest rates. The interest on all back ended subsidies of Coconut Development Board Subsidy is ₹37.11 Lakh (₹48.57 Lakh during FY 22-23) is shown under the head Interest and fund-expenses.

2.26 PRIOR PERIOD ITEMS

There are no prior period adjustment made during this year .

2.27 PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped and reclassified for better presentation wherever found necessary.



Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director

For and on behalf of the Board of Directors



Premnath Ravindranath
Managing Director (i/c)

As per our report of even date
For J A K S & Associates
Chartered Accountants, Firm Reg No: 001360S



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

Note: 21			
DISCLOSURE REQUIREMENTS:			
₹ in lakh			
A. Capital	2023-24		2022-2023
a) CRAR (%)		25.52	25.58
b) Risk Weighted Assets			
1) On Balance Sheet items		440925.55	382012.00
c) Share holding pattern as Balance Sheet date			
	Amount	%	%
1. Government of Kerala	72026.94	99.14	99.00
2. SIDBI	613.33	0.01	0.98
3. Commercial Banks, Insurance Cos. Pvt. Shareholders etc.	10.16	0.00	0.02
TOTAL	72650.43	100.00	100.00
d) Net worth	0.00	1.06	92,570.24
B. Asset Quality and Credit Concentration:	Amount	%	%
a) Gross NPA under the prescribed assets classification categories	21218.47	2.88	3.11
b) Net NPAs under the prescribed asset classification categories	4861.40	0.68	0.74
c) Provisions:		2023-24	2022-23
1. Provision for Standard Assets		6096.46	6641.76
2. Provision for NPA		16357.07	15676.68
3. Provision for Investments		5344.85	5344.85
4. Provision for Income Tax		2660.34	3669.70
5. Provision for Deferred Tax Liability		589.26	-85.39
	2023-24	2022-23	Variance
d) Movement in Net NPA (%)	0.68	0.74	-0.06



Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director



Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date
For J A K S & Associates

Chartered Accountants, Firm Reg No: 001360S



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

₹ in Lakh

C. Liquidity:						
a) Maturity pattern of Rupee assets.						
Items	Less than or equal to 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years up to 7 years	More than 7 years up to 10 years	Total
Total assets	169753.85	265980.8	166679.37	84435.13	49983.56	736832.71
Total Liabilities	164994.69	263798.03	164883.75	82720	48420	724816.47
	2023-24	2022-23				
D. Operating Results:						
a) Interest income as a percentage to average working funds -	19.17	8.97				
Interest Income	68185.02	54364.41				
Average Working Funds	355634.62	605775.97				
b) Non-interest income as a percentage to Average Working Funds -	5.25	2.49				
Non-interest income	18686.54	15073.1				
Average Working Funds	355634.62	605775.97				
c) Operating Profit (+) / Loss (-) as a % to Average Working Funds -	3.03	2.25				
Operating Profit (+) / Loss (-)	10789.08	13601.7				
Average Working Funds	355634.62	605775.97				
d) Return on Average Assets -	1.35	2.1				
Returns (operating profit + depreciation)	10936.18	13768.5				
Average Assets	808347.8	655631.4				
e) Net profit (+) / Loss (-) per employee	39.39	25.74				
No. of employees	188	195				
Net profit (+) / Loss (-)	7404.39	5018.64				

Ratio	Formula	Components	Result
Current Ratio	Current Assets/ Current Liabilities	Current Assets=Short Term Deposits with Banks+Cash & cash equivalents+Other current assets Current Liabilities=Short term borrowings+Other current liabilities	1.71
Debt - Equity Ratio	Total Debt/ Shareholder's Equity	Total debt=Long term borrowings+Short term borrowings Shareholder's Equity=Spl. Reserve u/s 36(1)(viii) of IT Act, 1961+Spl. Reserve u/s 35(A) of SFCs Act, 1951+Balance in Profit & Loss A/c+Share capital	6.82
Debt Service Coverage Ratio (DSCR)	Earnings available for debt service / Debt Service	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest Debt service = Interest & Lease Payments + Principal Repayments.	0.39
Return on Equity (ROE)	Net Profits after taxes - Preference Dividend (if any) / Average Shareholder's Equity	Average Shareholder's Equity=(Opening SC+Free reserves+closing SC+free reserves)/2	0.07
Net Profit Ratio	Net Profit / Net Sales	Net Profit = Profit after tax Net Sales = Revenue from operations+other income	8.52%
Return on capital employed (ROCE)	Earning before interest and taxes / Capital Employed	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08
Return on investment (ROI)	Net Return on Investment/Cost of investment	Net Return on Investment=Net profit after taxes Cost of investment=Share capital	10.19%




Ram Ganesh R
Company Secretary



Soya K
Financial Controller



Seshu Babu Palle
Director



Premnath Ravindranath
Managing Director (i/c)

For and on behalf of the Board of Directors

As per our report of even date
For J A K S & Associates
Chartered Accountants, Firm Reg No: 001360S



Selastin A. FCA
Partner, M No: 202874

Place: Thiruvananthapuram
Date: 27-05-2024

SECTOR WISE LOAN OUTSTANDING AS ON 31.03.2024

₹ in Lakh

Sector	Standard		Sub standard		Total	
	No of loans	Amount	No of loans	Amount	No of loans	Amount
CRE	115	31441.42	5	428.18	120	31869.60
MANUFACTURING	1417	96929.78	222	5223.63	1639	102153.41
SERVICE	4646	587243.04	295	15566.66	4941	602809.70
Grand Total	6178	715614.24	522	21218.47	6700	736832.71

BRANCH WISE BREAKUP OF LOAN OPERATIONS DURING THE YEAR 2023-24

BRANCH	Sanction	Disbursement	Recovery	Portfolio
Alappuzha	4,876.80	8,535.05	8,272.50	11,589.19
Ernakulam	15,234.30	19,793.11	18,326.20	40,470.55
Kannur	7,735.31	7,976.05	8,964.11	18,752.11
Kasaragod	15,220.00	36,130.90	27,640.81	57,316.96
Kattappana	2,728.50	3,760.57	4,554.94	10,821.20
Kollam	14,605.07	19,520.49	15,477.97	36,767.45
Kottayam	3,730.00	3,161.25	3,651.76	8,527.32
Kozhikode	13,316.00	17,286.87	16,201.46	40,752.40
LCB Ernakulam	26,812.00	8,183.78	419.66	7,949.87
LCB Thiruvananthapuram	164,459.24	153,823.65	65,754.90	92,326.36
Malappuram	6,533.00	29,003.08	26,429.60	33,289.55
Palakkad	3,914.50	4,201.09	4,332.06	13,326.43
Pathanamthitta	3,340.00	3,843.71	3,731.41	8,295.35
Perumbavoor	10,533.96	11,652.89	6,863.46	20,324.76
SARB (CZ) Ernakulam	—	—	1,736.88	1,588.06
SARB (NZ) Kozhikode	—	—	2,932.87	7,034.82
SARB (SZ) Thiruvananthapuram	—	—	4,524.35	3,860.84
Thiruvananthapuram	23,664.76	53,330.24	141337.3	271,490.90
Thodupuzha	2,030.00	3,192.91	3,691.81	6,713.97
Thrissur	8,901.73	8,792.98	14,301.68	28,292.51
Wayanad	6,031.24	14,696.82	10,964.69	17,342.13
GRAND TOTAL	333,666.41	406,885.44	390,110.42	736,832.71

HIGHLIGHTS OF PERFORMANCE

Particulars	₹ in Lakh									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Applications Sanctioned Amount	94745	102599	38531	72393	164495	165788	414649	287679	320722	3,33,666
Disbursement Amount	65709	83836	65527	60023	81579	144615	370921	217520	355595	4,06,885
Recovery Amount	68427	75820	87428	94467	90000	108209	285129	243047	233242	3,90,110
Number of Loan accounts	4498	5264	5497	4439	4231	4884	5985	6240	6391	6,700
Balance Outstanding Amount	203818	240019	247411	245179	268401	335190	462113	475071	652940	7,36,833
Authorised Capital	35000	35000	35000	35000	35000	50000	50000	50000	100000	100000
PAID UP CAPITAL										
State Government	21563	21563	21563	21563	22027	33027	42027	42027	62027	72027
SIDBI	613	613	613	613	613	613	613	613	613	613
Others	10	10	10	10	10	10	10	10	10	10
Total	22186	22186	22186	22186	22650	33650	42650	42650	62650	72650
INCOME										
Interest on Loans	30915	29976	35195	36557	40475	38694	45988	48508	65486	80,377
Other Income	167	872	1277	1131	2351	2351	3106	3309	3951	6495
Total	31082	30848	36472	37688	42826	41045	49094	51817	69438	86872
EXPENDITURE										
Interest on Bonds	4675	5454	6917	6677	8129	8950	9165	6943	5671	10582
Interest on Refinance & other borrowings	9278	10921	12599	11847	10014	12381	19963	19617	31373	43194
Fund Raising expenses	417	526	558	521	451	455	584	2067	4115	3374
Employee benefit expenses	2595	2701	2864	3407	3610	3152	3418	3200	3083	4503
Administrative Expenses	527	523	503	640	671	713	394	454	886	886
TOTAL	17492	20125	23441	23092	22875	25651	33524	32281	45128	62539
Profit / Loss before depreciation/Bad debt write off/Provisions	13590	10722	13032	14596	19951	15441	15569	19535	24309	24246
Depreciation	53	129	184.37	96	84	199	283	214	167	147
Bad debts Written off	4280	5867	12061.13	12481	16767	10715	12385	10139	10541	13310
Provision for Bad & Doubtful debts/other assets	3811	2692	0	515	419	1520	1618	5681	4999	135
Net Profit/Loss before Tax	1437	533	787	1504	2665	3007	1283	3501	8603	10654
Net Worth	42392	42917	43545	44108	45741	58475	67835	69044	92570	106353
Gross NPA(%)	785	10.57	8.51	6.37	5.77	4.74	3.58	3.27	3.11	2.88
Net NPA(%)	3.71	5.93	4.25	2.03	1.82	1.45	1.48	1.28	0.74	0.68
Share Capital issued	989	0	0	0	464	11000	9000	0.00	20000	10000
Bonds issued	20000	0	25000	0	25000	25000	25000	0.00	47650	58050
Borrowings from Banks & Fls	32799	56201	35000	67000	60900	197955	332751	354749	506831	573718
Repayment of Bonds	0	5000	5000	5000	10000	5150	35683	18030	11738	19130
Repayment of Borrowings from Banks & Fls	24751	23216.7	28753	48037	66054	108044	188752	107701	118382	149132
Cumulative Sanction up to 31.03.2024										Amount
Cumulative Disbursement up to 31.03.2024										26,62,788
										23,92,207







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