

Review report to  
The Board of Directors  
Kerala Financial Corporation  
Kanaka Nagar Vellayambalam  
Thiruvananthapuram -695033

We have reviewed the accompanying statement of unaudited financial results of Kerala Financial Corporation for the six-month period ended 30.09.2022. This statement is the responsibility of the Corporation's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain the moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In the conduct of our Review, we have relayed on the review reports received from concurrent auditors of the Head office and branches specifically appointed for this purpose. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning, and other related matters.

**Emphasis Paragraph:**

1. We refer to Note No.7 regarding the recognition of unrealized foreign exchange fluctuation loss or gain as on 30.09.2022.



2. The calculation of Deferred tax Asset/ Liability is done on a yearly basis hence no impact of the same had been affected in the financials for the period ended 30.09.2022. (Reference to Note No.8).
3. We refer to Note No.5. KFC generally creates minimum provision for Standard Assets and for Non-Performing Assets provision is made in excess of RBI requirements at the end of the Financial Year. However, KFC has kept the current provision as on 30.09.2022 without any changes as it is more than the minimum provision required by RBI.
4. There are some old outstanding entries, including funds in transit in the bank reconciliation statements which are yet to be rectified in the Books of Account.
5. The suspense account classified under the "Current Liabilities" has a balance of Rs. 7,85,17,045.69/- which is yet to be analyzed and transferred to the right accounts.
6. The corporation has not written off any technical bad debts or made any provision for the same as on 30.09.2022, which is only done at the year-end. The profit shown for the six-month period ended 30.09.2022 is subject to this adjustment.

For J A K S & Associates  
Chartered Accountants  
FRN.001360S



Selastin A, F.C.A.  
Partner, M.No.202874  
UDIN: 22202874BCRWZB7890

Place: Trivandrum  
Date: 10-11-2022



## KERALA FINANCIAL CORPORATION

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022

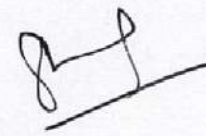
(Rs. In Lakh)

Sl No	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Revenue</b>						
1	Interest Income	15,506.44	13,523.01	9,602.06	29,029.45	19,804.12	49,265.99
2	Other Income	1,780.96	282.33	234.95	2,063.29	547.89	2,550.82
3	<b>Total revenue</b>	<b>17,287.40</b>	<b>13,805.34</b>	<b>9,837.01</b>	<b>31,092.74</b>	<b>20,352.01</b>	<b>51,816.81</b>
	<b>Expenses</b>						
	(a) Interest expenses	10,359.54	8,177.44	7,052.67	18,536.98	14,852.34	28,627.64
	(b) Employee benefits expenses	695.29	700.60	621.29	1,395.90	1,488.63	3,199.90
	(c) Administrative Expenses	168.33	127.75	58.96	296.07	159.50	454.36
	(d) Depreciation and amortisation expense	11.61	150.56	43.87	162.18	104.03	213.76
	(e) Bad debts written off	-	84.01	15.96	84.01	21.18	10,138.99
4	<b>Total expenditure</b>	<b>11,234.78</b>	<b>9,240.37</b>	<b>7,792.75</b>	<b>20,475.14</b>	<b>16,625.68</b>	<b>42,634.65</b>
5	<b>Operating Profit before exceptional and extraordinary items and tax</b>	<b>6,052.62</b>	<b>4,564.98</b>	<b>2,044.26</b>	<b>10,617.60</b>	<b>3,726.33</b>	<b>9,182.16</b>
6	Add: Prior Period Income	-	-	-	-	-	-
6	<b>Operating Profit After exceptional and extraordinary items</b>	<b>6,052.62</b>	<b>4,564.98</b>	<b>2,044.26</b>	<b>10,617.60</b>	<b>3,726.33</b>	<b>9,182.16</b>
7	Less: Provision for Bad and Doubtful debts / Other assets	-	-	922.28	-	1,844.56	5,681.10
8	<b>Profit before tax</b>	<b>6,052.62</b>	<b>4,564.98</b>	<b>1,121.98</b>	<b>10,617.60</b>	<b>1,881.77</b>	<b>3,501.07</b>
9	<b>Tax expense:</b>						
	Less: Current tax expense - (a) Provision for Income Tax	525.00	425.00	600.00	950.00	850.00	2,272.41
	(b) Provision for Deferred Tax	-	-	-	-	-	-91.15
10	<b>Net Profit after tax for the period</b>	<b>5,527.62</b>	<b>4,139.98</b>	<b>521.98</b>	<b>9,667.60</b>	<b>1,031.77</b>	<b>1,319.80</b>
11	<b>Paid up Equity share capital (Face value of Rs. 100/- per share)</b>	<b>42,650.43</b>	<b>42,650.43</b>	<b>42,650.43</b>	<b>42,650.43</b>	<b>42,650.43</b>	<b>42,650.43</b>
12	<b>Reserves excluding Revaluation reserves</b>						<b>26,752.21</b>
13	<b>Earnings per share (Equity shares of Rs 100/- each):</b>						
	(a) Basic	12.96*	9.71*	1.37*	22.67*	2.77*	3.26
	(b) Diluted	12.96*	9.71*	1.37*	22.67*	2.77*	3.26

\* Not Annualised  
Previous figures are regrouped and rearranged wherever necessary to conform to current year's requirement.

  
Somya K  
Financial Controller

  
Premnath Ravindran  
Executive Director

  
Sanjay Kaul IAS  
Chairman & Managing Director

Place: Thiruvananthapuram  
10-11-2022

UDIN : 22202874BCRWZB7890

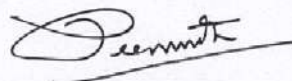


**For J A K S & Associates**  
**CHARTERED ACCOUNTANTS**  
FRN : 001360 S

  
**SELASTIN A. FCA**  
**PARTNER-M. NO. 202874**

KERALA FINANCIAL CORPORATION				
STATEMENT OF ASSETS AND LIABILITIES				
	Particulars	As at 30.09.2022	As at 30.09.2021	As at 31.03.2022
		Unaudited	Unaudited	Audited
		Amt in Lakh	Amt in Lakh	Amt in Lakh
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	42,650.43	42,650.43	42,650.43
	(b) Reserves and surplus	35,693.89	26,406.18	26,393.81
	(c) Money received against share capital			0.00
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3,92,091.85	3,17,223.13	2,87,855.50
	(b) Other non current liabilities	643.76	924.99	963.16
	(c) Long-term provisions	17,319.69	14,193.63	17,319.69
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	1,76,042.70	41,164.24	1,43,031.21
	(b) Other current liabilities	1,19,561.32	21,542.11	45,815.80
	(c) Short-term provisions	3,222.41	5,831.93	2,379.04
	<b>TOTAL</b>	<b>7,87,226.05</b>	<b>4,69,936.64</b>	<b>5,66,408.64</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant and Equipment	607.05	800.66	577.33
	(ii) Intangible Assets	97.24		157.04
	(b) Non-current investments	8,451.14	6,755.58	6,045.10
	(c) Other non-current assets	4,18,949.55	2,94,272.88	3,41,623.77
	(d) Deferred Tax Assets (net)	182.26	91.11	182.26
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	30,057.35	19,508.29	23,970.22
	(b) Cash and cash equivalents	13,691.58	9,430.61	10,164.20
	(c) Other current assets	3,15,189.88	1,39,077.51	1,83,688.72
	<b>TOTAL</b>	<b>7,87,226.05</b>	<b>4,69,936.64</b>	<b>5,66,408.64</b>

  
Soya K  
Financial Controller

  
Premnath Ravindranath  
Executive Director

  
Sanjay Kaul IAS  
Chairman & Managing Director

Place: Thiruvananthapuram  
10-11-2022

UDIN : 22202874BCRWZ B7890

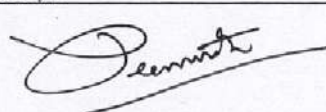



**For J A K S & Associates**  
**CHARTERED ACCOUNTANTS**  
FRN : 001360 S

  
**SELASTIN A. FCA**  
**PARTNER-M. NO. 202874**

KERALA FINANCIAL CORPORATION			
CASH FLOW STATEMENT			
FOR THE PERIOD	For the half year ended	For the half year ended	For the year ended
	30.09.2022	30.09.2021	31.03.2022
	Amt in Lakh	Amt in Lakh	Amt in Lakh
	Unaudited	Unaudited	Audited
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before taxes	10,617.60	1,881.77	3,501.07
Interest received on Fixed Deposits	(1,004.27)	(400.50)	(1,923.10)
Depreciation on fixed assets	162.18	104.03	213.76
Provision for Non Performing Assets/Other Assets	-	1,844.56	5,681.10
Premium on Forward Contract	(368.06)	39.61	(74.93)
Interest and other costs of Non-SLR Bond	2,960.60	3,791.76	7,174.07
<b>Adjustment for changes in operating assets and liabilities</b>			
Increase in Loans and Advances	(1,34,292.21)	57,079.98	(9,732.78)
Increase in borrowings from Banks	(2,58,669.93)	(56,893.15)	21,998.68
Decrease in Other Non-Current assets	62,960.16	(13,597.92)	5,863.95
Decrease in Other Current assets	(1,30,551.16)	17,929.56	(25,797.65)
Increase in Current liabilities	73,745.53	2,126.23	21,475.56
Increase in Other Non Current Liabilities	(319.41)	(83.86)	(284.49)
Less: Income tax paid	-	-	(1,734.00)
	(950.00)	(850.00)	
<b>Net cash from operating activities</b>	<b>(3,75,708.97)</b>	<b>12,972.07</b>	<b>26,361.24</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(132.09)	(54.62)	(54.62)
Sale of Fixed Assets	-	155.15	0.72
Investment in KIFM Ltd	-	(2.56)	
<b>Net cash used in investing activities</b>	<b>(132.09)</b>	<b>97.97</b>	<b>(53.90)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Redemption of Non-SLR Bond	(11,737.50)	(11,637.50)	(18,030.00)
Interest and other costs of Non-SLR Bond	(2,960.60)	(3,791.76)	(7,174.07)
Interest Received on Fixed Deposits	1,004.27	400.50	1,923.10
Net Investment in NCD	(8,399.78)	(5,993.74)	(5,993.74)
Proceeds from NCD	-	101.14	101.14
Net Deposit with Banks	(6,087.13)	7,313.78	2,851.85
Dividend and Dividend Tax paid	(106.63)	-	102.00
<b>Net cash used in financing activities</b>	<b>(28,287.37)</b>	<b>(13,607.58)</b>	<b>(26,219.72)</b>
Net increase in cash and cash equivalents	3,527.39	(645.97)	87.62
Cash and cash equivalents at the beginning of the year	10,164.19	10,076.58	10,076.58
<b>Cash and cash equivalents at the end of the year</b>	<b>13,691.58</b>	<b>9,430.61</b>	<b>10,164.20</b>

  
Soya K  
Financial Controller

  
Premnath Ravindranath  
Executive Director

  
Sanjay Kaul IAS  
Chairman & Managing Director

Place: Thiruvananthapuram  
10-11-2022

UDIN : 22202874BCRWZB7890



For J A K S & Associates  
CHARTERED ACCOUNTANTS  
FRN : 001360 S

  
SELASTIN A. FCA  
PARTNER-M. NO. 202874

## Notes to Financial Statements

1. The financial results for the three months ended Sep 30, 2022 have been subjected to review by the Statutory Auditors M/s. JAKS Associates Chartered Accountants. The previous period (for the year ended March 31,2022) results were audited by M/s Krishnan Retna & Associates, Chartered Accountants. The financials result as on Sep 30,2021 were also reviewed by M/s Krishnan Retna & Associates, Chartered Accountants.
2. The Corporation has consistently applied its significant accounting policies in the preparation of quarterly financial results ended Sep 30, 2022 as compared to those followed for the year ended March 31, 2022.
3. The Portfolio of the Corporation as on Sep 30, 2022 is Rs.609363.60 Lakh comprising of Standard Advances of Rs.582516.54 Lakh, Substandard Advances of Rs.23623.99 Lakh and Doubtful Advances of Rs.3223.08 Lakh.
4. The Corporation follows the policy of technical write off of advances in Doubtful category to maintain asset quality which is done at the end of the financial year. Hence no advances have been technically written off as on Sep 30, 2022. The advances in doubtful category as on Sep 30, 2022 amounts to Rs.3223.08 Lakh.
5. In conformity with the prudential norms, provisions are given on the basis of classification of assets as prescribed by RBI. 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.

During the period the corporation has kept minimum provisions as prescribed by RBI for all advances. i.e. 0.25% for SME sector, 0.40% for Medium /Other sector and 1% for CRE sector for all standard advances (same provisioning as on March 31,2022), 15% for substandard advances (62% on March 31, 2022) and 25% for doubtful advances (Technically written off as on March 31,2022).

Additional provision of 10% (minimum norms) amounting to Rs.5,123.55 Lakh is kept in respect of 694 loan accounts amounting to Rs. 51,235.53 Lakh restructured under RBI Circular dated May 5, 2021 (Resolution framework 2.0). Additional provision of 5% (minimum norms) amounting to Rs.926.31 Lakh is kept in respect of 130 loan accounts amounting to Rs. 18,526.19 Lakh restructured under RBI Circular dated Aug 6, 2020 (Resolution framework 1.0). The Gross NPA is 4.41% as against 3.27% and Net NPA will be 2.09% as against 1.28% as on March 31, 2022.

6. The minimum provision needed as on Sep 30, 2022 is Rs.12522.95 Lakh and the total provision available for Bad and Doubtful debts / Other assets as on Sep 30, 2022 is Rs. 17,319.69 Lakh and hence no additional provision is made for the half year ended Sep 30,2022.
7. The Corporation availed a total of Rs.112681.01 Lakh as Foreign currency loan from SBI & 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 half year ended Sep 30, 2022 is Rs.1787.38 Lakh and the deferred premium as on Sep 30, 2022 is Rs.740.66 Lakh. The Foreign Currency Loans outstanding as




on 31.03.2022 is closed and/or rolled over during the half year ended Sep 30, 2022. Hence the notional forex Loss of Rs. 5.43 Crore recognized as on March 31, 2022 is reversed and charged to P& L Account as income during the half year ended Sep 30, 2022. The notional forex-gain /Loss during the half year ended Sep 30, 2022 is not recognized and will be done on a yearly basis as per the policy of the Corporation.

8. The calculation of Deferred tax Asset/ Liability will be done on a yearly basis as per the policy of the Corporation.
9. Previous period / year figures have been regrouped, wherever necessary to confirm the classification of the current period.



Soya.K  
Financial Controller



Premnath Ravindranath  
Executive Director



Sanjay Kaul IAS  
Chairman & Managing Director

Place : Thiruvananthapuram  
Date : 10-11-2022



UDIN : 22202874BCRWZB7890



For J A K S & Associates  
CHARTERED ACCOUNTANTS  
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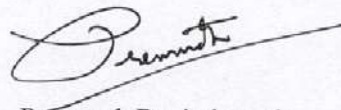
SELASTIN A. FCA  
PARTNER - M. NO. 202874

## Annexure-A

Disclosure required as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter ended September 30, 2022

Sl No	Particulars	Quarter ended September 30, 2022
A	Debt-Equity Ratio	7.19
B	Debt Service Coverage Ratio	NA
C	Interest Service Coverage Ratio	NA
D	Capital Redemption Reserve	NA
E	Debenture Redemption Reserve	NA
F	Net Worth	Rs. 790.71 Cr.
G	Net Profit after Tax	Rs. 96.68 Cr.
H	Earnings per Share	
	1) Basic (Rs.)	22.67
	2) Diluted (Rs.)	22.67
I	Current Ratio	NA
J	Long term debt to Working capital	NA
K	Bad debts to Accounts receivable	NA
L	Current Liability Ratio	NA
M	Total Debts to total Assets	0.72
N	Debtors turnover	NA
O	Inventory Turnover	NA
P	Operating Margin	NA
Q	Net profit Margin	NA
R	Sector specific equivalent Ratios	
	• CRAR	22.45
	• Gross NPA	4.41
	• Net NPA	2.09

  
Soya K  
Financial Controller

  
Premnath Ravindranath  
Executive Director

  
Sanjay Kaul IAS  
Chairman & Managing Director

Place : Thiruvananthapuram

Date: 10-11-2022

**MDIN : 22202874BCRWZB7890**



**For J A K S & Associates**  
**CHARTERED ACCOUNTANTS**  
**FRN : 001360 S**

  
**SELASTIN A. FCA**  
**PARTNER-M. NO. 202874**