



KERALA FINANCIAL CORPORATION

HO: VELLAYAMBALAM, THIRUVANANTHAPURAM – 695 033

Phone : 0471 – 2315891, 2737566

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



KFC/F&A/BOND/2023-24

09.02.2024

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

Dear Sir,

Sub: Outcome of Board Meeting held on 09.02.2024

In compliance with Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby inform that the Board of Directors at their meeting held on February 09, 2024 Friday has inter-alia considered and approved Unaudited Financial Results of the Corporation for the quarter ended December 31, 2023. The figures were also recommend for approval by the Audit Committee at their meeting held on February 08, 2024.

The Board meeting commenced at 11.30 A.M. and concluded at 3.45 P.M. approved the following:

1. Unaudited Financial Results for the quarter ended on December 31, 2023 (financial results) together with the disclosures in accordance with Regulation 52(4) of the Listing Regulations and the Limited Review report of the statutory auditor issued thereon by M/s. J A K S & Associates, Chartered Accountants.
2. Extract of unaudited financial results for the quarter ended on December 31, 2023 being published in Newspaper.

Kindly take the same on record.

Thanking You,

Yours Faithfully,


Company Secretary

RAM GANESH R
Company Secretary
Kerala Financial Corporation



കേരള ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ

(1951-ലെ സ്റ്റോക്ക് ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ ആക്റ്റ് നം. LXIII പ്രകാരം രൂപീകൃതമായത്)

വെള്ളയമ്പലം, തിരുവനന്തപുരം - 695033

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 three-month period ended 31.12.2023. 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 31.12.2023.
2. The calculation of Deferred tax Asset/ Liability is done on a yearly basis hence no impact of the same has been effected in the financials for the period ended 31.12.2023. (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 31.03.2023 without any changes as it is more than the minimum provision required by RBI.
4. The corporation has not written off any technical bad debts or made any provision for the same as on 31.12.2023, which is only done at the year-end. The profit shown for the nine-month period ended 31.12.2023 is subject to this adjustment. (Reference to Note-4).
5. The balance in suspense account as on 31.12.2023 amounting to Rs. 7.17 Cr comprises of mainly repayment from contractor term loans and recovery made through the newly opened SARBs. As it is kept in the suspense account, we are not able to assess the impact on the Profit & Loss A/c of the Corporation. However, from the said balance in suspense account, Rs.5.49 Cr has been cleared in January,2024.
6. The Corporation had restructured loan accounts during the COVID period and classified the same as standard assets and the balance outstanding of such loans as on 31.03.2023 was Rs.545.10 Cr. The Corporation had provided additional provision of 5-10% on these assets and has classified them as standard assets. The balance outstanding of such loans as on 31.12.2023 is Rs.372.52 Cr.
7. The Corporation has a property acquired against a defaulted loan with a value of Rs.400.34 Lakh shown as an asset in its Balance Sheet. This has been there for a very long time and there are no adequate records available to substantiate the recoverability of this asset.
8. 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.



9. The corporation has outstanding loan with the following Public Sector Undertakings as on 31.12.2023

- a) Kerala Infrastructure Investment Fund Board (KIIFB) – Rs. 875.01 Crores
- b) Kerala Social Security Pension Ltd (KSSP) – Rs. 499.99 Crores
- c) Vizhinjam International Seaport Ltd (VISL) – Rs. 428.76 Crores
- d) Kerala State Electricity Board (KSEB) – Rs. 980.52 Crores

These loans are secured only by the sovereign guarantee of Govt. of Kerala and do not have any other security.

UDIN: 24202874BKCZEF5308
Place : Trivandrum
Date : 09-02-2024

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




Selastin A, F.C.A.
Partner, M.No.202874




KERALA FINANCIAL CORPORATION				
STATEMENT OF ASSETS AND LIABILITIES				
	Particulars	As at 31.12.2023	As at 31.12.2022	As at 31.03.2023
		Unaudited	Unaudited	Audited
		Amt in Lakh	Amt in Lakh	Amt in Lakh
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	62,650.43	42,650.43	42,650.43
	(b) Reserves and surplus	43,364.21	39,585.10	29,152.63
	(C) Share application money pending allotment			20,000.00
2	Non-current liabilities			
	(a) Long-term borrowings	5,31,037.55	3,95,922.55	4,45,520.66
	(b) Other non current liabilities	551.87	587.32	596.03
	(c) Long-term provisions	22,318.44	17,319.69	22,318.44
3	Current liabilities			
	(a) Short-term borrowings	1,63,930.07	1,86,032.04	1,73,171.68
	(b) Other current liabilities	6,978.86	1,42,213.50	5,642.08
	(c) Short-term provisions	6,504.70	3,647.41	5,802.22
	TOTAL	8,37,336.13	8,27,958.04	7,44,854.17
B	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant and Equipment	723.22	633.88	642.83
	(ii) Intangible Assets	60.45	94.22	98.47
	(b) Non-current investments	8,451.14	8,451.14	8,451.14
	(c) Other non-current assets	5,45,213.67	4,41,996.10	4,62,636.42
	(d) Deferred Tax Assets (net)	267.65	182.26	267.65
2	Current assets			
	(a) Current investments	66,793.84	27,854.31	44,603.63
	(b) Cash and cash equivalents	30,166.61	10,777.97	6,585.36
	(c) Other current assets	1,85,659.55	3,37,968.16	2,21,568.67
	TOTAL	8,37,336.13	8,27,958.04	7,44,854.17


Soya K
Financial Controller


Premnath Ravindranath
Executive Director


Seshu Babu Palle
Director

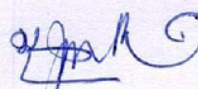

Sanjay Kaul IAS
Chairman & Managing Director



Place: Thiruvananthapuram
Date:09-02-2024



As per our report of even date
For JAKS & Associates
Chartered Accountants
Firm Reg No: 001360S


Selastin A. FCA
Partner, M No: 202874


KERALA FINANCIAL CORPORATION						
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2023						
						(Rs. In Lakh)
Sl No	Particulars	Quarter ended		Nine months' ended		Year ended
		31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Revenue					
1	Interest Income	20,868.33	15,556.45	57,316.83	44,585.90	65,486.28
2	Other Income	3,610.37	937.85	4,632.81	3,001.14	3,951.23
3	Total revenue	24,478.69	16,494.29	61,949.65	47,587.04	69,437.51
	Expenses					
	(a) Interest expenses	14,106.16	10,965.51	41,927.68	29,502.49	41,159.07
	(b) Employee benefits expenses	809.73	804.63	2,589.38	2,200.53	3,083.01
	(c) Administrative Expenses	190.00	225.97	537.98	522.04	886.03
	(d) Depreciation and amortisation expense	9.18	2.51	139.28	164.68	166.80
	(e) Bad debts written off	-9.29	-	-	84.01	10,540.90
4	Total expenditure	15,105.77	11,998.61	45,194.32	32,473.76	55,835.81
5	Operating Profit before exceptional and extraordinary items and tax	9,372.92	4,495.68	16,755.33	15,113.28	13,601.70
6	Operating Profit After exceptional and extraordinary items	9,372.92	4,495.68	16,755.33	15,113.28	13,601.70
7	Less: Provision for Bad and Doubtful debts / Other assets	-	-	-	-	4,998.75
8	Profit before tax	9,372.92	4,495.68	16,755.33	15,113.28	8,602.95
9	Tax expense:					
	Less: Current tax expense - (a) Provision for Income Tax	1,135.00	425.00	2,835.00	1,375.00	3,669.70
	(b) Provision for Deferred Tax	-	-	-	-	-85.39
10	Net Profit after tax for the period	8,237.92	4,070.68	13,920.33	13,738.28	5,018.64
11	Paid up Equity share capital (Face value of Rs. 100/- per share)	62,650.43	62,650.43	62,650.43	62,650.43	42,650.43
12	Share Application money received pending allotment					20,000.00
13	Reserves excluding Revaluation reserves					92,570.30
14	Earnings per share (Equity shares of Rs 100/- each):					
	(a) Basic	13.15*	6.50*	22.22*	32.25*	12.43
	(b) Diluted	13.15*	6.50*	22.22*	32.25*	12.41

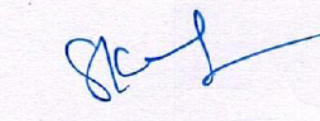
* Not Annualised

Previous figures are regrouped and rearranged wherever necessary to conform to current year's requirement.


Jaya K
Financial Controller


Premnath Ravindranath
Executive Director


Seshu Babu Palle
Director


Sanjay Kaul IAS
Chairman & Managing Director



Place: Thiruvananthapuram
Date: 09-02-2024



As per our report of even date
For JAKS & Associates
Chartered Accountants
Firm Reg No: 001366S

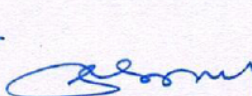

Selastin A. FCA
Partner, Firm No: 202874

KERALA FINANCIAL CORPORATION			
CASH FLOW STATEMENT			
FOR THE PERIOD	For the half year ended 31-12-2023	For the quarter ended 31-12-2022	For the Year ended 31-03-2023
	Amt in Lakh	Amt in Lakh	Amt in Lakh
	Unaudited	Unaudited	Audited
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxes and prior period adjustments	16,755.33	15,113.28	8,602.95
Interest received on Fixed Deposits	(3,968.35)	(1,771.66)	(2,421.53)
Depreciation on fixed assets	139.28	164.68	166.80
Provision for Non Performing Assets/Other Assets	-	-	4,998.75
Share Issue Expenses	1.04	-	-
Premium on Forward Contract	280.59	(562.58)	(408.79)
Interest and other costs of Non-SLR Bond	8,198.24	4,432.48	6,117.81
Prior period Income	-	15.05	-
Adjustment for changes in operating assets and liabilities			
Increase in Loans and Advances	(60,176.05)	(1,57,383.54)	(1,77,868.89)
Increase in borrowings from Banks	68,055.28	1,62,805.38	1,51,893.13
Decrease in Other Non-Current assets	(14,001.42)	63,004.95	62,849.98
Decrease in Other Current assets	38,744.10	(1,53,329.42)	(75,490.92)
Increase in Current liabilities	1,336.79	96,397.70	(3,811.71)
Increase in Other Non Current Liabilities	(44.16)	(375.83)	(367.13)
Less: Income tax paid	(2,835.00)	(950.00)	(2,875.00)
Net cash from operating activities	52,485.67	27,560.49	(28,614.55)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(181.64)	(158.42)	(173.74)
Net cash used in investing activities	(181.64)	(158.42)	(173.74)
CASH FLOW FROM FINANCING ACTIVITIES			
Money received against Share Capital	-	-	20,000.00
Share Issue Expenses	(1.04)	-	-
Issue of Non SLR Bond	27,350.00	-	47,650.00
Redemption of Non-SLR Bond	(19,130.00)	(11,737.50)	(11,737.50)
Interest and other costs of Non-SLR Bond	(8,198.24)	(4,432.48)	(6,117.81)
Interest Received on Fixed Deposits	3,968.35	1,771.66	2,421.53
Net Investment in NCD	(8,399.78)	(8,399.78)	(8,399.78)
Proceeds from NCD	-	-	-
Net Deposit with Banks	(22,190.21)	(3,884.09)	(20,633.41)
Dividend	(2,132.52)	(106.63)	2,025.90
Addition to Special Reserve	10.66	0.53	0.53
Net cash used in financing activities	(28,722.78)	(26,788.29)	25,209.46
Net increase in cash and cash equivalents	23,581.25	613.78	(3,578.83)
Cash and cash equivalents at the beginning of the year	6,585.36	10,164.19	10,164.19
Cash and cash equivalents at the end of the year	30,166.61	10,777.97	6,585.36

For and on behalf of the Board of Directors


Soya K
Financial Controller


Premnath Ravindranath
Executive Director


Seshu Babu Palle
Director

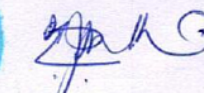

Sanjay Kaul IAS
Chairman & Managing Director



Place: Thiruvananthapuram
Date: 09-02-2024



As per our report of even date
For JAKS & Associates
Chartered Accountants
Firm Reg No: 0013605

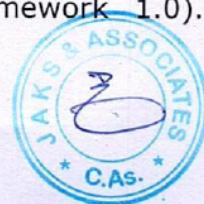

Sebastian A. FCA
Partner, M No: 202874

Notes to Financial Statements

1. The financial results for the Nine months' ended December 31, 2023 have been subjected to review by the Statutory Auditors M/s. JAKS Associates Chartered Accountants. The financials result as on December 31, 2022 were also reviewed by M/s. JAKS Associates Chartered Accountants.
2. The Corporation has consistently applied its significant accounting policies in the preparation of quarterly financial results ended December 31, 2023 as compared to those followed for the year ended March 31, 2023.
3. The Portfolio of the Corporation as on December 31, 2023 is Rs. 7,13,116.34 Lakh comprising Standard Advances of Rs. 6,73,141.89 Lakh, Substandard Advances of Rs. 29,136.12 Lakh and Doubtful Advances of Rs. 10,838.33 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 December 31, 2023. The advances in doubtful category as on December 31, 2023 amounts to Rs. 10,838.33 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 provided 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 31,2023), 15% for substandard advances (77% on March 31, 2023) and 25% for doubtful advances (Technically written off as on March 31,2023).

The Corporation has kept additional provision of 5%/10% (minimum norms) amounting to Rs.4415.03 Lakh in respect of 553 loan accounts restructured as per RBI guidelines and classified under Standard category as on 31.03.2023. Additional provision of 10% (minimum norms) amounting to Rs.3379.08 Lakh is kept in respect of 428 loan accounts amounting to Rs. 33790.79 Lakh restructured under RBI Circular dated May 5, 2021 (Resolution framework 2.0). Additional provision of 5% (minimum norms) amounting to Rs. 725.82 Lakh is kept in respect of 84 loan accounts amounting to Rs.14516.36 Lakh restructured under RBI Circular dated Aug 6, 2020 (Resolution framework 1.0). Additional




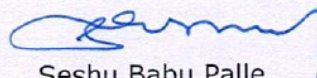
provision of 5% (minimum norms) amounting to Rs.310.13 Lakh is kept in respect of 41 loan accounts amounting to Rs.6202.58 Lakh which have been restructured on account of extension of DCCO. The Gross NPA as on 31.12.2023 is 5.61% as against 3.11% and Net NPA will be 3.54% as against 0.74% as on March 31, 2023.

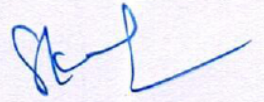
6. The minimum provision needed as on December 31, 2023 is Rs. 13871.53 Lakh and the total provision available for Bad and Doubtful debts / Other assets as on December 31, 2023 is Rs. 22318.44 Lakh and hence no additional provision is made for the Nine months' ended December 31, 2023.
7. The Corporation availed a total of Rs. 1,59,227.24 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 Nine months' ended December 31, 2023 is Rs 766.02 Lakh and the deferred premium as on December 31, 2023 is Rs. 500.81 Lakh. The notional forex-gain/Loss during the Nine months' ended December 31, 2023 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.

For and on behalf of the Board of Directors


Soya.K
Financial Controller


Premnath Ravindranath
Executive Director


Seshu Babu Palle
Director


Sanjay Kaul IAS
Chairman & Managing Director

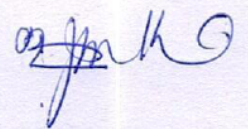


Thiruvananthapuram

Date: 09.02.2024

For J A K S & Associates
Chartered Accountants
Firm Reg No:001360S





Selastin A. FCA

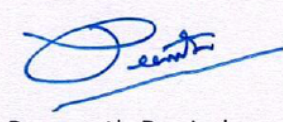
Partner, M No: 202874

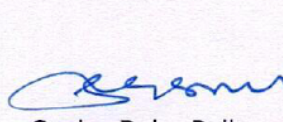
Annexure-A

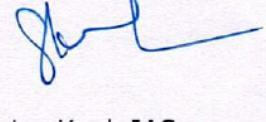
Disclosure required as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended December 31, 2023

Sl No	Particulars	Quarter ended December 31, 2023
A	Debt-Equity Ratio	6.53
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. 1,065.01Cr.
G	Net Profit after Tax	Rs. 139.20 Cr.
H	Earnings per Share	
	1) Basic (Rs.)	22.22
	2) Diluted (Rs.)	22.22
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	0.83
N	Debtors turnover	NA
O	Inventory Turnover	NA
P	Operating Margin	NA
Q	Net profit Margin	NA
R	Sector specific equivalent Ratios	
	• CRAR	23.90
	• Gross NPA	5.61
	• Net NPA	3.54


Soya K
Financial Controller


Premnath Ravindranath
Executive Director


Seshu Babu Palle
Director

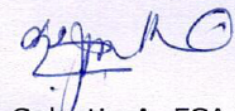

Sanjay Kaul IAS
Chairman & Managing Director



Thiruvananthapuram
Date: 09.02.2024



For J A K S & Associates
Chartered Accountants
Firm Reg No:001360S


Selastin A. FCA
Partner, M No: 202874



KERALA FINANCIAL CORPORATION

HO: VELLAYAMBALAM, THIRUVANANTHAPURAM – 695 033

Phone : 0471 – 2315891, 2737566

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



KFC/F&A/BOND/BSE/2023-24

09.02.2024

The Manager
Listing Compliance
BSE Limited
P.J Tower, Dalal Street
Fort, Mumbai - 400 001

Dear Sir/Madam,

Sub:- Compliance under Regulation 52(7), 52 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

Pursuant to Regulation 52(7) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and in compliance with SEBI operational Circular SEBI/HO/DDHS_ Div1/P/CIR/2022/0000000103 dated July 29, 2022 we are furnishing herewith Utilization of issue proceeds of non-convertible securities and Statement of deviation/variation for the quarter ended December 31, 2023.

Request you to kindly take the same on your record.

Thanking you.

Yours Faithfully,
For Kerala Financial Corporation

Raf
Ram Ganesh R
Company Secretary

RAM GANESH R
Company Secretary
Kerala Financial Corporation



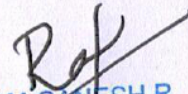
കേരള ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ

(1951-ലെ സ്റ്റേറ്റ് ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ ആക്റ്റ് നം. LXIII പ്രകാരം രൂപീകൃതമായത്)

വെള്ളയമ്പലം, തിരുവനന്തപുരം - 695033

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes / No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Kerala Financial Corporation	INE818F07229 INE818F07237 INE818F07211 INE818F07245 INE818F07203	Private Placement	Non-Convertible Debentures	02-05-2023	273.50 crore	273.50 crore	No	NA	Nil


RAM GANESH R
Company Secretary
Kerala Financial Corporation



B. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks
Name of listed entity	Kerala Financial Corporation
Mode of fund raising	Private Placement
Type of instrument	Non-Convertible Securities
Date of raising funds	02-05-2023
Amount raised	273.50 crore
Report filed for quarter ended	31-12-2023
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA The Proceeds raised from the issue used solely for the purpose.
If yes, details of the approval so required?	NA
Date of approval	NA
Explanation for the deviation/ variation	NA
Comments of the audit committee after review	NA
Comments of the auditors, if any	Nil

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original Object	Modification Object, if any	Original Allocation	Modification allocation, any	Funds Utilised	Amount of deviation/variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Nil	NA	NA	NA	NA	Nil	Nil

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed.

Name of signatory: Ram Ganesh R

Designation: Company Secretary

RAM GANESH R
Company Secretary
Kerala Financial Corporation

